

Dated **23 SEPTEMBER** 2013

PRUDENTIAL TRUSTEE COMPANY LIMITED
as Security Trustee

EMH HOUSING AND REGENERATION LIMITED
as Borrower

ABBEY NATIONAL TREASURY SERVICES plc
as ANTS Facility Agent

THE ROYAL BANK OF SCOTLAND plc
as Existing RBS Facility Agent

THE ROYAL BANK OF SCOTLAND plc
as Existing Three Valleys Facility Agent

THE ROYAL BANK OF SCOTLAND plc
as RBS Facility Agent

THE ROYAL BANK OF SCOTLAND plc
as RBS Hedging Counterparty

BARCLAYS BANK PLC
as Barclays Facility Agent

BARCLAYS BANK PLC
as Existing Barclays Hedging Counterparty

BARCLAYS BANK PLC
as Barclays Bilateral Lender

LLOYDS ~~FSE~~ ^{AG} BANK plc
as Existing Lloyds Facility Agent

LLOYDS ~~FSE~~ ^{AG} BANK plc
as Lloyds Facility Agent

NATIONWIDE BUILDING SOCIETY
as Nationwide Facility Agent

CONSOLIDATION, AMENDMENT AND
RESTATEMENT DEED IN RELATION TO
SECURITY TRUST DEEDS

ADDLESHAW GODDARD

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The Appendix

The Consolidated, Amended and Restated Security Trust Deed

This Deed is dated

23 September 2013

BETWEEN

- (1) **Prudential Trustee Company Limited** in its capacity as security trustee for the Beneficiaries pursuant to the Original Security Trust Deeds as consolidated, amended and restated by this Deed (the "**Security Trustee**");
- (2) **EMH Housing and Regeneration Limited** registered as a charitable industrial and provident society under the Industrial and Provident Societies Act 1965 with registered number 32198R and as a Registered Provider, with the Social Housing Regulator with registered number 4775 whose registered office is at Memorial House, Stenson Road, Whitwick Business Park, Coalville, Leicester LE67 4JP (the "**Borrower**");
- (3) **Abbey National Treasury Services plc** in its capacity as facility agent pursuant to the ANTS Loan Agreement (the "**ANTS Facility Agent**");
- (4) **The Royal Bank of Scotland plc** in its capacity as facility agent pursuant to the RBS Original Loan Agreement and Beneficiary under the Original Security Trust Deed dated 26 September 2008 (the "**Existing RBS Facility Agent**");
- (5) **The Royal Bank of Scotland plc** in its capacity as facility agent pursuant to the Existing Three Valleys Loan Agreement and Beneficiary under the Original Security Trust Deed dated 25 March 2002 (the "**Existing Three Valleys Facility Agent**");
- (6) **The Royal Bank of Scotland plc** as hedging counterparty under the RBS ISDA Documentation (the "**RBS Hedging Counterparty**");
- (7) **The Royal Bank of Scotland plc** in its capacity as facility agent pursuant to the RBS Loan Agreement (the "**RBS Facility Agent**");
- (8) **Barclays Bank PLC** in its capacity as facility agent pursuant to the Barclays Loan Agreement (the "**Barclays Facility Agent**");
- (9) **Barclays Bank PLC** in its capacity as Barclays Bilateral Lender under and as defined in the Existing Barclays Bilateral Loan Agreement and Beneficiary under the Original Security Trust Deed dated 26 September 2008 (the "**Barclays Bilateral Lender**");
- (10) **Barclays Bank PLC** in its capacity as existing hedging counterparty under the Original Security Trust Deed dated 26 September 2008 (the "**Existing Barclays Hedging Counterparty**");
- (11) ^{AG}~~FSE~~ **Lloyds Bank plc** in its capacity as facility agent pursuant to the Lloyds Original Loan Agreement and Beneficiary (by way of an accession deed dated 13 October 2010) under the Original Security Trust Deed dated 26 September 2008 (the "**Existing Lloyds Facility Agent**");
- (12) ^{AG}~~FSE~~ **Lloyds Bank plc** in its capacity as facility agent pursuant to the Lloyds Loan Agreement (the "**Lloyds Facility Agent**"); and
- (13) **Nationwide Building Society** in its capacity as facility agent pursuant to the Nationwide Loan Agreement (the "**Nationwide Facility Agent**").

BACKGROUND

- (A) By a facility agreement dated 3 November 2008 between (1) Three Oaks Homes Limited, an industrial and provident society with registered number 30491R ("**Three Oaks**"), as the borrower, (2) Abbey National Treasury Services plc in its capacity as arranger, (3) as facility agent, (4) as original lender and (5) the Security Trustee as security trustee (as amended, restated, supplemented and/or novated from time to time) (the "**ANTS Original Loan Agreement**") certain loan facilities were made available to Three Oaks on the terms set out therein.
- (B) By a loan agreement originally dated 30 June 2005 (as subsequently amended and restated including as amended and restated on 20 September 2008) and most recently made between (1) East Midlands Housing Association Limited, an industrial and provident society with registered number 13002R ("**EMHA**") as borrower and (2) The Royal Bank of Scotland plc as arranger, facility agent, original lender and security agent (the "**RBS Original Loan Agreement**") certain loan facilities were made available to EMHA on the terms set out therein.
- (C) By a loan agreement originally dated 25 March 2002 (as subsequently amended and restated) and made between (1) Three Valleys Housing Limited (previously Erewash Housing Limited), an industrial and provident society with registered number 32052R ("**Three Valleys**") as borrower (2) The Royal Bank of Scotland plc as arranger and original lender (3) Nationwide Building Society and Newcastle Building Society as lenders (4) The Royal Bank of Scotland plc as facility agent and issuer bank and (5) the Security Trustee as security trustee (the "**Existing Three Valleys Loan Agreement**") certain loan facilities were made available to Three Valleys on the terms set out therein.
- (D) By a facility agreement dated 26 September 2008 between (1) EMHA as the borrower, (2) Barclays Bank PLC in its capacity as arranger, (3) as facility agent, (4) as original lender and (5) the Security Trustee as security trustee (as amended, restated, supplemented and/or novated from time to time) (the "**Barclays Original Loan Agreement**") certain loan facilities were made available to EMHA on the terms set out therein.
- (E) By a facility agreement dated 22 December 2009 between (1) EMHA as the borrower, (2) Lloyds Bank plc in its capacity as arranger, (3) as facility agent, (4) as original lender and (5) the Security Trustee as security trustee (as amended, restated, supplemented and/or novated from time to time) (the "**Lloyds Original Loan Agreement**") certain loan facilities were made available to EMHA on the terms set out therein.
- (F) By a facility agreement originally dated 21 March 2003 (as amended and restated on 9 May 2008) and made between Foundation Housing Association Limited an industrial and provident society with registered number 26555R ("**Foundation**") as borrower and The Royal Bank of Scotland plc acting as agent for National Westminster Bank Plc as lender (the "**Existing RBS Bilateral Loan Agreement**") certain loan facilities were made available to Foundation on the terms set out therein.
- (G) By loan facility agreement originally dated 14 July 1998 (as amended, varied and/or restated on 26 June 2000, 29 October 2002, 17 November 2003, 11 October 2005 and 23 January 2007) and most recently amended and restated on 26 September 2008 entered into between the Barclays Bilateral Lender (as lender) and EMHA (as borrower) (the "**Existing Barclays Bilateral Loan Agreement**") certain loan facilities were made available to EMHA on the terms set out therein.
- (H) By:

- a) a security trust deed dated 25 March 2002 between (1) Three Valleys (then Erewash Housing Limited) as borrower, (2) the Security Trustee and (3) the Existing Three Valleys Facility Agent (as amended, restated, supplemented and/or novated from time to time);
- b) a security trust deed dated 26 September 2008 between (1) EMHA as borrower, (2) the Security Trustee, (3) the Barclays Facility Agent, (4) the Existing Barclays Hedging Counterparty (5) the Barclays Bilateral Lender, (6) the Existing RBS Facility Agent and (7) the RBS Hedging Counterparty (as amended, restated, supplemented and/or novated from time to time); and
- c) a security trust deed dated 3 November 2008 between (1) Three Oaks as borrower, (2) the Security Trustee and (3) the ANTS Facility Agent (as amended, restated, supplemented and/or novated from time to time),

(together the documents listed in (i) to (iii), the "**Original Security Trust Deeds**" and each an "**Original Security Trust Deed**") the Security Trustee agreed to hold the benefit of security documents and the security created thereunder for and on behalf of itself and the Beneficiaries (as defined in the relevant Original Security Trust Deed) on the terms set out therein.

- (I) It was a condition precedent to each of the Original Loan Agreements (or, as the case may be, to an amendment and/or restatement of the same) that the relevant borrower granted certain rights over certain of their assets to the Beneficiaries pursuant to the corresponding Original Security Trust Deed and security documents (howsoever described or defined in the Original Loan Agreements).
- (J) Prior to the Restatement Date, each of:
 - a) EMHA;
 - b) Three Valleys;
 - c) Three Oaks; and
 - d) Foundation,

amalgamated to form the Borrower, pursuant to section 50 of the Industrial and Provident Societies Act 1965 (the "**Amalgamation**").

- (K) In anticipation of the Amalgamation, each of the Original Loan Agreements are being refinanced, replaced and/or amended and restated, and the parties to this Deed have agreed to enter into an amendment, consolidation and restatement of the Original Security Trust Deeds into the Consolidated, Amended and Restated Security Trust Deed in order to consolidate and update the rights of priority and of enforcement in respect of the Beneficiaries' rights in relation to the Security Assets under or pursuant to the Security Documents.
- (L) The Borrower may enter into further financial or hedging arrangements in the future and it is intended that this Deed may without obligation on the part of the Borrower govern the security provided by the Borrower in relation to such financial or hedging arrangements.
- (M) On the Restatement Date:

- i. the ANTS Original Loan Agreement will be amended and restated on the terms set out in the ANTS Loan Agreement;
- ii. the RBS Loan Agreement will be entered into to, amongst other things:
 - a) refinance the loans and commitments outstanding under the RBS Original Loan Agreement and the Existing RBS Bilateral Loan Agreement, such that all monies due and outstanding under the RBS Original Loan Agreement and the Existing RBS Bilateral Loan Agreement shall be refinanced in full; and
 - b) refinance the participation of Newcastle Building Society in the Existing Three Valleys Loan Agreement in full; and
 - c) refinance (in part) the participation of Nationwide Building Society in the Existing Three Valleys Loan Agreement;
- iii. the Barclays Original Loan Agreement will be amended and restated on the terms set out in the Barclays Loan Agreement, and all loans and commitments outstanding under the Existing Barclays Bilateral Loan Agreement will be refinanced in full;
- iv. the Lloyds Loan Agreement will be entered into and the loans and commitments outstanding under the Lloyds Original Loan Agreement shall be refinanced in full; and
- v. the Nationwide Loan Agreement will be entered into to partially refinance the loans and commitments of Nationwide Building Society under the Existing Three Valleys Loan Agreement,

with the result that on the Restatement Date all loans and commitments under the Original Loan Agreements shall be repaid or refinanced in full under and pursuant to the terms of the Loan Agreements.

- (N) Following the Restatement Date, it is proposed that the Bond Trustee, as trustee for the Bond Secured Parties, will accede to the Consolidated, Amended and Restated Security Trust Deed.
- (O) The parties to this Deed have entered into it to consolidate, amend and restate the Original Security Trust Deeds such that the only security trust deed from the date of this Deed shall be the Consolidated, Amended and Restated Security Trust Deed and it is intended by the parties hereto that this document shall take effect as a Deed notwithstanding that a party may only execute this document under hand.
- (P) The Security Trustee has entered into this deed on the basis of instructions received from each of (i) the ANTS Facility Agent (ii) the Existing RBS Facility Agent, (iii) the Existing Three Valleys Facility Agent, (iv) the Existing Lloyds Facility Agent, (v) the Barclays Facility Agent (vi) the Barclays Bilateral Lender, (vii) the Existing Barclays Hedging Counterparty and (viii) the RBS Hedging Counterparty, in each case pursuant to or in connection with the relevant Original Security Trust Deeds.

It is agreed

1 Interpretation and definitions

- 1.1 Unless otherwise defined in this Deed or the context otherwise requires, words and expressions defined in the Consolidated, Amended and Restated Security Trust Deed shall have the same meaning when used in this Deed.

1.2 In this Deed:

Amalgamation shall have the meaning given to it in Recital (J).

ANTS Original Loan Agreement shall have the meaning given to it in Recital (A).

Barclays Original Loan Agreement shall have the meaning given to it in Recital (D).

Consolidated, Amended and Restated Security Trust Deed shall mean the Consolidated, Amended and Restated Security Trust Deed at the Appendix.

EMHA shall have the meaning given to it in Recital (B).

Existing Barclays Bilateral Loan Agreement shall have the meaning given to it in Recital (G).

Existing RBS Bilateral Loan Agreement shall have the meaning given to it in Recital (F).

Existing Three Valleys Loan Agreement shall have the meaning given to it in Recital (C).

Foundation shall have the meaning given to it in Recital (F).

Lloyds Original Loan Agreement shall have the meaning given to it in Recital (E).

Original Loan Agreements means each of the ANTS Original Loan Agreement, the RBS Original Loan Agreement, the Existing Three Valleys Loan Agreement, the Barclays Original Loan Agreement, the Lloyds Original Loan Agreement, the Existing RBS Bilateral Loan Agreement and the Existing Barclays Bilateral Loan Agreement.

Original Security Trust Deeds and **Original Security Trust Deed** shall have the meaning given to such terms in Recital (H).

RBS Original Loan Agreement shall have the meaning given to it in Recital (B).

Restatement Date shall mean the date of this Deed.

Three Oaks shall have the meaning given to it in Recital (A).

Three Valleys shall have the meaning given to it in Recital (C).

1.3 In this Deed (save to the extent that the context otherwise requires) references to any agreement, contract, deed or document (including any Relevant Document) shall be construed as including any amendment, restatement, novation or supplement thereof.

1.4 References in this Deed to the "**Security Trustee**", "**ANTS Facility Agent**", "**RBS Facility Agent**", "**Barclays Facility Agent**", "**Lloyds Facility Agent**", "**Nationwide Facility Agent**", "**Existing Barclays Hedging Counterparty**" and "**RBS Hedge Counterparty**" shall be construed so as to include any subsequent successors and permitted transferees and assigns (whether immediate or derivative).

1.5 A person who is not a party to this Deed (other than Beneficiaries) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of this Deed or any other Loan Agreement Finance Document entered into in connection with it.

- 1.6 The parties to this Deed designate it and the Consolidated, Amended and Restated Security Trust Deed as Security Documents and Finance Documents (for the purposes of each of the Loan Agreements).

2 Amendments/new Beneficiaries

- 2.1 The Existing Lloyds Facility Agent confirms that, as at the date of this Deed, it has received sufficient funds to refinance in full all existing indebtedness owed to each Finance Party pursuant to and as defined in the Lloyds Original Loan Agreement, taking into account the operation and application of the initial loans under the Lloyds Loan Agreement on the Restatement Date.
- 2.2 The Existing Three Valleys Facility Agent confirms that, as at the date of this Deed, it has received sufficient funds to refinance or, as the case may be, discharge and repay in full all existing indebtedness owed to each Finance Party pursuant to and as defined in the Existing Three Valleys Loan Agreement, taking into account the operation and application of the initial loans under the RBS Loan Agreement and the Nationwide Loan Agreement on the Restatement Date.
- 2.3 The Barclays Bilateral Lender confirms that, as at the date of this Deed, it has received sufficient funds to refinance in full all existing indebtedness owed to it under the Existing Barclays Bilateral Loan Agreement, taking into account the operation and application of the initial loans under the Barclays Loan Agreement on the Restatement Date.
- 2.4 The Existing RBS Facility Agent confirms that, as at the date of this Deed, it has received sufficient funds to refinance in full all existing indebtedness owed to each Finance Party pursuant to and as defined in the Existing RBS Loan Agreement, taking into account the operation and application of the initial loans under the RBS Loan Agreement on the Restatement Date.
- 2.5 The parties to this Deed agree that, with effect from the date of this Deed:
- (a) the Original Security Trust Deeds shall be amended, restated and consolidated and shall cease to exist individually and are replaced with the Consolidated, Amended and Restated Security Trust Deed set out at the Appendix;
 - (b) each of the Finance Parties pursuant to and as defined in the ANTS Loan Agreement shall become Beneficiaries pursuant to the Consolidated, Amended and Restated Security Trust Deed;
 - (c) each of the Finance Parties pursuant to and as defined in the RBS Loan Agreement shall become Beneficiaries pursuant to the Consolidated, Amended and Restated Security Trust Deed;
 - (d) each of the Finance Parties pursuant to and as defined in the Barclays Loan Agreement shall become Beneficiaries pursuant to the Consolidated, Amended and Restated Security Trust Deed;
 - (e) each of the Finance Parties pursuant to and as defined in the Nationwide Loan Agreement shall become Beneficiaries pursuant to the Consolidated, Amended and Restated Security Trust Deed;

- (f) each of the Finance Parties pursuant to and as defined in the Lloyds Loan Agreement shall become Beneficiaries pursuant to the Consolidated, Amended and Restated Security Trust Deed;
 - (g) each of the finance parties or lenders pursuant to each of the Original Loan Agreements (howsoever described or defined) shall (if applicable) cease to be Beneficiaries pursuant to the Original Security Trust Deeds and the Consolidated, Amended and Restated Security Trust Deed; and
 - (h) other than the Existing Security Documents which shall remain in full force and effect, no security document provided under or pursuant to the Original Security Trust Deeds shall subsist under any of the Original Security Trust Deeds (as consolidated, amended and restated by this Deed).
- 2.6 Each of (i) the Existing RBS Facility Agent, (ii) the Existing Three Valleys Facility Agent, (iii) the Existing Lloyds Facility Agent and (iv) the Barclays Bilateral Lender shall execute this Deed to give effect to its terms but for the avoidance of doubt, by ceasing to be a Beneficiary, each shall cease to be party to the relevant Original Security Trust Deed (as consolidated, amended and restated by this Deed) with effect from the date of this Deed.
- 2.7 Each of the parties to this Deed (other than the Security Trustee) hereby instructs the Security Trustee to enter into this Deed and the Consolidated, Amended and Restated Security Trust Deed (without any liability on the part of the Security Trustee for so doing unless it would have liability pursuant to the provisions of the Consolidated, Amended and Restated Security Trust Deed).
- 2.8 It is acknowledged by the Borrower and the Existing Barclays Hedging Counterparty that no Barclays ISDA Documentation (as such term was defined in the Original Security Trust Deed dated 26 September 2008) was entered into between the Borrower (then EMHA) and the Existing Barclays Hedging Counterparty prior to the Restatement Date. The Existing Barclays Hedging Counterparty joins in this Restatement Agreement so as to approve the consolidation, amendment and restatement of the Original Security Trust Deeds. The Existing Barclays Hedging Counterparty further acknowledges that the Consolidated, Amended and Restated Security Trust Deed and any other Relevant Document may be amended, modified or varied after the Restatement Date without the consent or involvement of the Existing Barclays Hedging Counterparty (in its capacity as hedge counterparty). The Existing Barclays Hedging Counterparty shall cease to be a Beneficiary with effect from the date of this Deed and shall also cease to be party to the Original Security Trust Deed dated 26 September 2008 (as consolidated, amended and restated by this Deed) with effect from the date of this Deed.

3 Expenses

The Borrower shall, promptly upon demand, pay the Security Trustee the amount of all reasonable fees, costs and expenses (including legal fees) and any VAT thereon properly incurred by it in connection with the negotiation, preparation and execution of this Deed and any other documents referred to or contemplated in this Deed.

4 Counterparts

This Deed may be executed in counterparts, all of which when taken together shall constitute a single deed.

5 Law

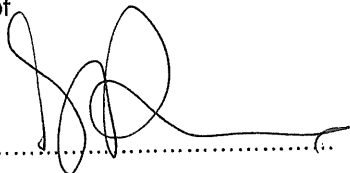
This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, the laws of England.

In witness whereof this Deed was executed by the parties hereto as a deed the day and year first above written.

Signatories to the Deed

THE SECURITY TRUSTEE

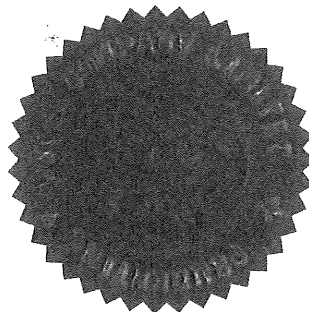
Executed as a deed by affixing the common)
seal of **Prudential Trustee Company Limited**)
in the presence of)



.....
Sealing Officer

Address: Prudential Trustee Company Limited
Laurence Pountney Hill
London EC4R 0HH

D Puttock



Fax: 020 7548 3883

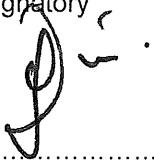
Attention: Corporate Trust Manager

THE BORROWER

The common seal of
EMH Housing and Regeneration Limited
was affixed to this Deed in the presence of



.....
Authorised Signatory



.....
Authorised Signatory

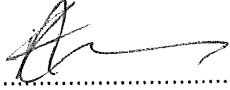
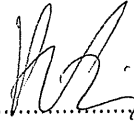
Address: Memorial House, Stenson Road,
Whitwick Business Park, Coalville,
Leicester LE67 4JP

Fax: 01530 276006

Attention: Executive Director - Finance

ANTS FACILITY AGENT

Executed as a deed for and on behalf of)
ABBAY NATIONAL TREASURY SERVICES)
plc)
acting by its attorney)
in the presence of)



Signature of witness

Name of witness: **ARADHNA LAWSON**

Address of witness: **2 Triton Square, Regents Place
London NW1 3AN**

Address: Abbey National Treasury Services plc
Housing Finance
2 Triton Square
Regent's Place
London
NW1 3AN

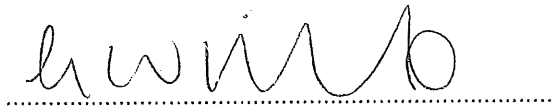
Fax: 0207 487 0546

Attention: Head of Social Housing Finance

EXISTING RBS FACILITY AGENT

Executed as a deed for and on behalf of)
THE ROYAL BANK OF SCOTLAND plc)
acting by its attorney)
in the presence of)




.....
Signature of witness

Name of witness: **CAVIN RICHARDS**

Address of witness: *c/o The Royal Bank of Scotland plc*
address below

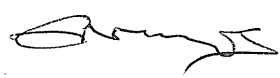
Address: The Royal Bank of Scotland plc
Corporate & Institutional Banking
Structured Finance
280 Bishopsgate
London
EC2M 4RB

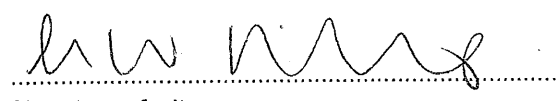
Fax: 0207 672 3491

Attention: Head of Housing Finance

EXISTING THREE VALLEYS FACILITY AGENT

Executed as a deed for and on behalf of)
THE ROYAL BANK OF SCOTLAND plc)
acting by its attorney)
in the presence of)




.....
Signature of witness

Name of witness: **CAVIN RICHARDS**

Address of witness: *c/o The Royal Bank of Scotland plc*
address below

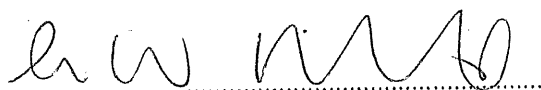
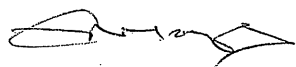
Address: The Royal Bank of Scotland plc
Corporate & Institutional Banking
Structured Finance
280 Bishopsgate
London
EC2M 4RB

Fax: 0207 672 3491

Attention: Head of Housing Finance

RBS FACILITY AGENT

Executed as a deed for and on behalf of)
THE ROYAL BANK OF SCOTLAND plc)
acting by its attorney)
in the presence of)



Signature of witness

Name of witness: *CAVIN RICHMONDS*

Address of witness: *clo The Royal Bank of Scotland plc*
address below

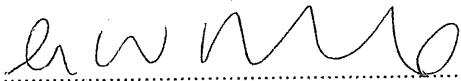
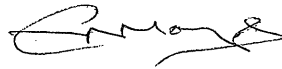
Address: The Royal Bank of Scotland plc
Corporate & Institutional Banking
Structured Finance
280 Bishopsgate
London
EC2M 4RB

Fax: 0207 672 3491

Attention: Head of Housing Finance

RBS HEDGING COUNTERPARTY

Executed as a deed for and on behalf of)
THE ROYAL BANK OF SCOTLAND plc)
acting by its attorney)
in the presence of)



Signature of witness

Name of witness: *CAVIN RICHARDS*

Address of witness: *c/o The Royal Bank of Scotland plc*
address below

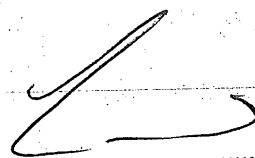
Address: The Royal Bank of Scotland plc
Corporate & Institutional Banking
Structured Finance
280 Bishopsgate
London
EC2M 4RB

Fax: 0207 672 3491

Attention: Head of Housing Finance

BARCLAYS FACILITY AGENT

Executed as a deed for and on behalf of)
BARCLAYS BANK PLC)
acting by its attorney)
in the presence of)



L Land
.....
Signature of witness

Name of witness: *L Land*

Address of witness:

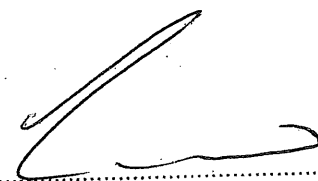
Address: Barclays Bank PLC
Education, Social Housing and
Local Authority Sectors
PO Box 3333
Snow Hill Queensway
Birmingham
B3 3WN

Fax: 0121 480 5513

Attention: Head of Social Housing

EXISTING BARCLAYS HEDGING COUNTERPARTY

Executed as a deed for and on behalf of)
BARCLAYS BANK PLC)
acting by its attorney)
in the presence of)



L Land
.....
Signature of witness

Name of witness: *L Land*

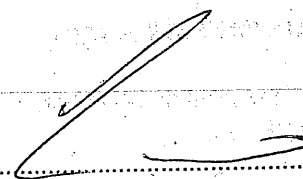
Address: Barclays Bank PLC
Education, Social Housing and
Local Authority Sectors
PO Box 3333
Snow Hill Queensway
Birmingham
B3 3WN

Fax: 0121 480 5513

Attention: Head of Social Housing

BARCLAYS BILATERAL LENDER

Executed as a deed for and on behalf of)
BARCLAYS BANK PLC)
acting by its attorney)
in the presence of)



A handwritten signature in black ink, appearing to be 'L Land', is written over a horizontal dotted line.

L Land
.....
Signature of witness

Name of witness: *L Land*

Address of witness:

Address of witness:

Address: Barclays Bank PLC
Education, Social Housing and
Local Authority Sectors
PO Box 3333
Snow Hill Queensway
Birmingham
B3 3WN

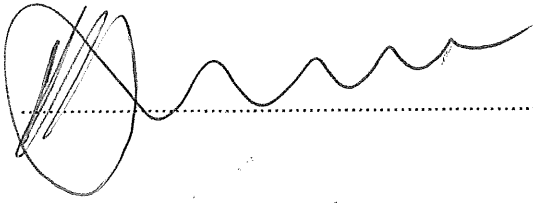
Fax: 0121 480 5513

Attention: Head of Social Housing

EXISTING LLOYDS FACILITY AGENT

Executed as a deed for and on behalf of
LLOYDS ~~F&S~~ BANK plc
acting by its attorney
in the presence of

)
)
)
)
)



Angela
Signature of witness

Name of witness: ANGELA STEALS

Address of witness: 25 GRESHAM STREET, LONDON EC2V 7HN

Address: Lloyds ~~F&S~~ Bank plc
25 Gresham Street
London
EC2V 7HN

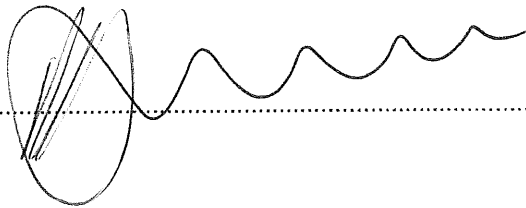
Fax: 020 7661 4952

Attention: Head of Social Housing

LLOYDS FACILITY AGENT

Executed as a deed for and on behalf of
LLOYDS ~~F&S~~ BANK plc
acting by its attorney
in the presence of

)
)
)
)
)



Angela
Signature of witness

Name of witness: ANGELA STARR,

Address of witness:

Address: Lloyds ~~F&S~~ Bank plc
25 Gresham Street
London
EC2V 7HN

Fax: 020 7661 4952

Attention: Head of Social Housing

AG

AG

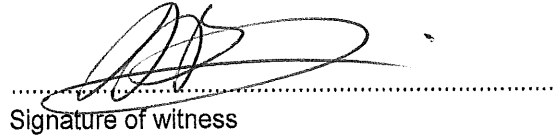
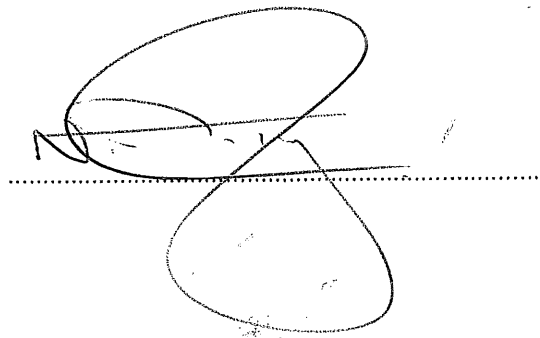
AG

AG

12/10/04

NATIONWIDE FACILITY AGENT

Executed as a deed for and on behalf of)
NATIONWIDE BUILDING SOCIETY)
acting by its attorney)
in the presence of)



Signature of witness

Name of witness: *DAVE BROWN*
Address of witness: *40 Nationwide Building Society*

Address: Nationwide Building Society
Kings Park Road
Moulton Park
Northampton
NN3 6NW

Fax: 01604 853655

Attention: Housing Finance

The Appendix

The Consolidated, Amended and Restated Security Trust Deed

Originally dated 26 September 2008 as consolidated, amended and restated on the
Restatement Date (as defined herein)

PRUDENTIAL TRUSTEE COMPANY LIMITED
as Security Trustee

EMH HOUSING AND REGENERATION LIMITED
as Borrower

BARCLAYS BANK PLC
as Barclays Facility Agent

THE ROYAL BANK OF SCOTLAND plc
as RBS Facility Agent

THE ROYAL BANK OF SCOTLAND plc
as RBS Hedging Counterparty

LLOYDS ^{AG} ~~FSE~~ BANK plc
as Lloyds Facility Agent

ABBAY NATIONAL TREASURY SERVICES plc
as ANTS Facility Agent

NATIONWIDE BUILDING SOCIETY
as Nationwide Facility Agent

**CONSOLIDATED, AMENDED AND
RESTATED SECURITY TRUST DEED**

ADDLESHAW GODDARD

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This Deed is a consolidation of the Original Security Trust Deeds with various dates as described in the Restatement Deed each of which is hereby consolidated, amended and restated on **23/09/2013** (the **Restatement Date**)

Between

- (1) **Prudential Trustee Company Limited** in its capacity as security trustee for the Beneficiaries (**Security Trustee**);
- (2) **EMH Housing and Regeneration Limited** registered as an industrial and provident society under the Industrial and Provident Societies Act 1965 with registered number 32198R and as a charitable Registered Provider with the Social Housing Regulator with registered number 4775 whose registered office is at Memorial House, Stenson Road, Whitwick Business Park, Coalville, Leicester LE67 4JP (**Borrower**);
- (3) **Barclays Bank PLC** in its capacity as agent and Representative for the Barclays Loan Agreement Finance Parties (**Barclays Facility Agent**);
- (4) **The Royal Bank of Scotland plc** in its capacity as agent and Representative for the RBS Loan Agreement Finance Parties (**RBS Facility Agent**);
- (5) **The Royal Bank of Scotland plc** as hedging counterparty under the RBS ISDA Documentation and Representative for itself (**RBS Hedging Counterparty**);
- (6) **Lloyds ~~RSE~~ ^{AG} Bank plc** in its capacity as agent and Representative for the Lloyds Loan Agreement Finance Parties (**Lloyds Facility Agent**);
- (7) **Abbey National Treasury Services plc** in its capacity as agent and Representative for the ANTS Loan Agreement Finance Parties (**ANTS Facility Agent**); and
- (8) **Nationwide Building Society** in its capacity as agent and Representative for the Nationwide Loan Agreement Finance Parties (**Nationwide Facility Agent**).

Whereas

- (A) Prior to the Restatement Date, each of:
- 1) East Midlands Housing Association Limited (registered as a charitable industrial and provident society under the Industrial and Provident Societies Act 1965 with registered number 13002R and registered as a Registered Provider with the Social Housing Regulator with registered number LH1985) ("**EMHA**");
 - 2) Three Valleys Housing Limited (registered as a charitable industrial and provident society under the Industrial and Provident Societies Act 1965 with registered number 32052R and registered as a Registered Provider with the Social Housing Regulator with registered number L4333) ("**Three Valleys**");
 - 3) Three Oaks Homes Limited (registered as a charitable industrial and provident society under the Industrial and Provident Societies Act 1965 with registered number 30491R and registered as a Registered Provider with the Social Housing Regulator with registered number L4533) ("**Three Oaks**"); and
 - 4) Foundation Housing Association Limited (registered as a charitable industrial and provident society under the Industrial and Provident Societies Act 1965 with

registered number 26555R and registered as a Registered Provider with the Social Housing Regulator with registered number LH3864),

amalgamated to form the Borrower, pursuant to section 50 of the Industrial and Provident Societies Act 1965 (the "**Amalgamation**").

- (B) By a loan agreement dated 26 September 2008 (as from time to time amended supplemented or restated) as amended and restated on or around the Restatement Date between the Borrower, Barclays Bank PLC as arranger, original lender and facility agent and Prudential Trustee Company Limited as Security Trustee (**Barclays Loan Agreement**), a credit facility was made available to the Borrower on the terms set out in that document.
- (C) By a loan agreement dated on or around the Restatement Date (as from time to time further amended supplemented or restated) between the Borrower, The Royal Bank of Scotland plc as arranger, original lender, facility agent, issuer bank and hedge counterparty and Prudential Trustee Company Limited as Security Trustee (**RBS Loan Agreement**), a credit facility was made available to the Borrower on the terms set out in that document.
- (D) By a loan agreement dated on or around the Restatement Date (as from time to time further amended supplemented or restated) between the Borrower, Lloyds ~~FSE~~ Bank plc as arranger, original lender and facility agent and Prudential Trustee Company Limited as Security Trustee (**Lloyds Loan Agreement**), a credit facility was made available to the Borrower on the terms set out in that document. AG
- (E) By a loan agreement dated 3 November 2008 (as from time to time amended supplemented or restated) as amended and restated on or around the Restatement Date between the Borrower, Abbey National Treasury Services plc as arranger, original lender and facility agent and Prudential Trustee Company Limited as Security Trustee (**ANTS Loan Agreement**), a credit facility was made available to the Borrower on the terms set out in that document.
- (F) By a loan agreement dated on or around the Restatement Date (as from time to time further amended supplemented or restated) between the Borrower, Nationwide Building Society as arranger, original lender and facility agent and Prudential Trustee Company Limited as Security Trustee (**Nationwide Loan Agreement**), a credit facility was made available to the Borrower on the terms set out in that document.
- (G) It is a condition precedent of each of the Loan Agreements (or, as applicable, a condition precedent to the amendment and restatement of the relevant loan agreement) that the Borrower grants certain rights over the Security Assets to the relevant Loan Agreement Finance Parties.
- (H) The Borrower may enter into further financial or hedging arrangements in the future and it is intended that this Deed may govern the security provided by the Borrower in relation to such financial arrangements.
- (I) It is anticipated that at some stage in the future, the indebtedness of the Borrower to the RBS Hedging Counterparty under the RBS ISDA Documentation may, to an extent to be agreed but not otherwise, benefit from rights over certain separately designated Security Assets.
- (J) On the Restatement Date (but prior to the completion of the Restatement Deed) the Nationwide Facility Agent acceded to Original Security Trust Deed dated 26 September 2008.
- (K) On the Restatement Date (but prior to the completion of the Restatement Deed) the RBS Facility Agent acceded to Original Security Trust Deed dated 26 September 2008. It is

acknowledged and agreed that The Royal Bank of Scotland plc acted as facility agent under the RBS Original Loan Agreement and that the initial loans drawn under the RBS Loan Agreement will, amongst other things, refinance the loans and commitments under the RBS Original Loan Agreement (and the Existing RBS Bilateral Loan Agreement) on the Restatement Date.

- (L) On the Restatement Date (but prior to the completion of the Restatement Deed) the Lloyds Facility Agent acceded to Original Security Trust Deed dated 26 September 2008. It is acknowledged and agreed that Lloyds ~~FSE~~ Bank plc acted as facility agent under the Lloyds Original Loan Agreement and that the initial loans drawn under the Lloyds Loan Agreement will refinance the loans and commitments under the Lloyds Original Loan Agreement on the Restatement Date. AG
- (M) The parties hereto have therefore entered into this Deed in order to regulate the rights of priority and of enforcement in respect of the rights of the Beneficiaries in relation to the Security Assets under or pursuant to the Relevant Documents.
- (N) It is intended by the parties hereto that this document shall take effect as a Deed notwithstanding that any party has executed it under hand or has otherwise failed to fulfil the requisite formalities for execution as a Deed.

It is agreed

1 Interpretation

1.1 Definitions

In this Deed (including the Recitals):

Accession Date means the date on which an Accession Deed takes effect subject to and in accordance with clause 2 (Relevant Liabilities)

Accession Deed means each deed entered into pursuant to clause 2.3 (Relevant Liabilities) or clause 2.8 (Relevant Liabilities) substantially in the form set out in schedule 1 (Form of Accession Deed)

Additional Beneficiary means any person which becomes a Beneficiary pursuant to the provisions of clause 2 (Relevant Liabilities)

Additional Liabilities means all monies, liabilities and obligations whatsoever (present or future, actual or contingent and whether sole or joint) payable, owing, due or incurred by the Borrower to any Additional Beneficiary under or in connection with any Relevant Document

Amalgamation shall have the meaning given to it in Recital (A)

Ancillary Documents means the Blaby Collateral Warranty, the Erewash Collateral Warranty and all valuations, surveys; reports, opinions, reports on title, collateral warranties, duty of care letters, certificates of title or other certificates to be delivered pursuant to the terms of the Restatement Deed or otherwise held or obtained by the Security Trustee and/or any Beneficiary in respect of the Security Assets

ANTS Loan Agreement shall have the meaning given to it in Recital (E)

payable, owing, due or incurred by the Borrower to any ANTS Loan Agreement Finance Party under any of the ANTS Loan Agreement Finance Documents

ANTS Loan Agreement Finance Documents means the Finance Documents as defined in the ANTS Loan Agreement

ANTS Loan Agreement Finance Parties means the Finance Parties as defined in ANTS Loan Agreement but excluding the Security Trustee

ANTS Original Loan Agreement shall have the meaning given to it in the Restatement Deed

Approved Tenancy Agreement has the meaning given to it in each Security Document save if not so defined, it shall mean the form of tenancy agreement from time to time permitted by the Relevant Beneficiary under its Relevant Documents or, if no requirements are specified in such Relevant Documents (or the relevant Property is Undesignated Security), in substantially the form of a standard tenancy agreement of the Borrower which complies with the provisions of the Regulatory Framework or any other guidance issued by the Social Housing Regulator and/or (where applicable) the Homes and Communities Agency and/or (where applicable) the Greater London Authority under the Housing and Regeneration Act or, in respect of any tenancy agreement relating to Designated Security which does not so comply, approved by the Relevant Beneficiary (acting reasonably)

Authorised Signatory means any of the officers of the Borrower who are authorised to sign certificates or other documents required under or in connection with any Security Document

Barclays Loan Agreement shall have the meaning given to it in Recital (B)

Barclays Loan Agreement Liabilities means all present and future sums, liabilities and obligations whatsoever (present or future, actual or contingent and whether sole or joint) payable, owing, due or incurred by the Borrower to any Barclays Loan Agreement Finance Party under any of the Barclays Loan Agreement Finance Documents

Barclays Loan Agreement Finance Documents means the Finance Documents as defined in the Barclays Loan Agreement

Barclays Loan Agreement Finance Parties means the Finance Parties as defined in Barclays Loan Agreement but excluding the Security Trustee

Beneficiaries means, subject to clause 2.6:

- (a) the Security Trustee;
- (b) in respect of the Barclays Loan Agreement, the Barclays Facility Agent and the other Barclays Loan Agreement Finance Parties;
- (c) in respect of the RBS Loan Agreement, the RBS Facility Agent and the other RBS Loan Agreement Finance Parties;
- (d) in respect of the RBS ISDA Documentation, the RBS Hedging Counterparty;
- (e) in respect of the Lloyds Loan Agreement, the Lloyds Facility Agent and the other Lloyds Loan Agreement Finance Parties;
- (f) in respect of the ANTS Loan Agreement, the ANTS Facility Agent and the other ANTS Loan Agreement Finance Parties;

- (g) in respect of the Nationwide Loan Agreement, the Nationwide Facility Agent and the other Nationwide Loan Agreement Finance Parties; and
- (h) each Additional Beneficiary,

and in each case their respective successors and permitted assigns and transferees from time to time (each a **Beneficiary**)

Blaby Collateral Warranty means the deed of collateral warranty dated 3 November 2008 granted by Blaby District Council in favour of the Security Trustee

Blaby Council Sale Agreements means:

- (a) the contract for the transfer of the Blaby District Council's housing stock dated on or about 3 November 2008 (together with the schedules thereto and annexures attached thereto) and entered into between Blaby District Council and the Borrower (then Three Oaks) under which (inter alia) Blaby District Council agreed to sell, and the Borrower (then Three Oaks) agreed to buy or lease, various properties; and
- (b) each agreement, document, contract, transfer and deed entered into pursuant to or in connection with that agreement including, for the avoidance of doubt, the Blaby Collateral Warranty and the Blaby Warranties

Blaby Properties means those properties transferred by Blaby District Council under the Blaby Council Sale Agreements and covered by the Blaby Collateral Warranty

Blaby Warranties means the warranties (and disclosures relating thereto) granted to the Borrower (then Three Oaks) by Blaby District Council contained in schedule 6, part 1 to the Blaby Council Sale Agreement referred to in part (a) of the definition of Blaby Council Sale Agreements

Blaby Warranty Beneficiaries means the Beneficiary or group of Beneficiaries which may rely on the Blaby Collateral Warranty, in accordance with (but only to the extent permitted by) clause 7.5, and which for the avoidance of doubt as at the Restatement Date is the ANTS Facility Agent (acting as Representative for the ANTS Loan Agreement Finance Parties)

Business Day means a day (other than a Saturday or Sunday or a public holiday in England) on which banks generally are open for general business in London

Certificate of Title means a certificate of title (or a report on title) in a form acceptable to the Security Trustee and (where the relevant Property is to become Designated Security) to the proposed Relevant Beneficiary

Charge includes any mortgage and assignment by way of security and vice versa

Commitment means, in relation to any borrowing or other debt obligation (including under any hedging documentation entered into with a Beneficiary), either (as applicable):

- (a) the aggregate of the principal amount which is (or, as the case may be, was immediately prior to any Enforcement Event or Potential Enforcement Event) outstanding from the Borrower and available for drawing by the Borrower (in relation to any such obligation under a loan agreement); or
- (b) the aggregate Exposure (as defined in the RBS ISDA Documentation or if not so defined being the aggregate mark to market exposure (after making any deductions

or additions in accordance with the RBS ISDA Documentation) under the RBS ISDA Documentation) under any RBS ISDA Documentation or other hedging documentation entered into with a Beneficiary which is (or, as the case may be, was immediately prior to any Enforcement Event or Potential Enforcement Event) outstanding (in relation to any debt obligation under any such hedging documentation)

Designated Properties Schedule means the schedule referred to in clause 3.1 (Designation of Security)

Designated Security means in relation to any Beneficiary or group of Beneficiaries (**Relevant Beneficiary**), any Properties and other Security Assets the Proceeds of which are allocated for application in reduction of the Relevant Liabilities of that Relevant Beneficiary in accordance with clauses 2.3(d) (Relevant Liabilities) and 3.1 (Designation of Security)

EMHA shall have the meaning given to it in Recital (A)

Enforcement Event means any event, howsoever described, specified in a Relevant Document as an event upon the occurrence of which the Beneficiary or group of Beneficiaries (or any Representative thereof or other person on their behalf) to whom such Relevant Document relates becomes entitled:

- (a) to call for early repayment of all or any of the Relevant Liabilities under such Relevant Documents; and/or
- (b) to call for cash collateral in respect of all or any contingent Relevant Liabilities under such Relevant Documents (but shall not include the RBS Hedging Counterparty as the hedging counterparty under the RBS ISDA Documentation or any other Beneficiary becoming entitled to call for the delivery of cash pursuant to an ISDA credit support annex unless the Borrower fails to make payment thereof when such payment becomes due and payable under the terms and conditions of any such ISDA credit support annex); and/or
- (c) to terminate all or any of the transactions entered into pursuant to such Relevant Document (but excluding any interest rate arrangement entered into by a Beneficiary to which the Borrower is not a party unless that Beneficiary becomes entitled to terminate the same as a consequence of a default (howsoever described) by the Borrower under the terms of the Relevant Document prior to the scheduled maturity thereof) and/or
- (d) to require the Security Trustee to enforce any of the Security Documents constituting the Beneficiary's Designated Security

Erewash Collateral Warranty means the deed of collateral warranty dated 25 March 2002 granted by Erewash Borough Council in favour of the Security Trustee

Erewash Council Sale Agreements means:

- (a) the contract for the transfer of the Erewash Borough Council's housing stock dated 25 March 2002 (together with the schedules thereto and annexures attached thereto) and entered into between Erewash Borough Council and the Borrower (then Three Valleys) under which (inter alia) Erewash Borough Council agreed to sell, and the Borrower (then Three Valleys) agreed to buy or lease, various properties; and

- (b) each agreement, document, contract, transfer and deed entered into under or in connection with that agreement including, for the avoidance of doubt, the Erewash Collateral Warranty and the Erewash Deed of Warranty.

Erewash Deed of Warranty means the deed of warranty dated 25 March 2002 granted by Erewash Borough Council to the Borrower (then Three Valleys) in respect of, amongst other things, Erewash Borough Council's title to the Erewash Properties and various related matters

Erewash Properties means those properties transferred by Erewash Borough Council under the Erewash Council Sale Agreements and covered by the Erewash Collateral Warranty

Erewash Warranties means the warranties (and disclosures relating thereto) granted to the Borrower (then Three Valleys) by Erewash Borough Council contained in the Erewash Deed of Warranty

Erewash Warranty Beneficiaries means the Beneficiary or group of Beneficiaries which may rely on the Erewash Collateral Warranty, in accordance with (but only to the extent permitted by) clause 7.6, and which for the avoidance of doubt as at the Restatement Date are (i) the RBS Facility Agent (acting as Representative for the RBS Loan Agreement Finance Parties and (ii) the Nationwide Facility Agent (acting as Representative for the Nationwide Loan Agreement Finance Parties)

Existing RBS Bilateral Loan Agreement shall have the meaning given to it in the Restatement Deed

Existing Security Documents means all security documents entered into under or pursuant to any of the Original Security Trust Deeds and creating a fixed charge or legal mortgage in favour of either the Security Trustee (for and on behalf of the Beneficiaries) over any freehold or leasehold property now owned by the Borrower which is subsisting at the Restatement Date including, without limitation:

- (a) a debenture between the Borrower (previously Three Oaks) and the Security Trustee dated 3 November 2008;
- (b) a debenture between the Borrower (previously Three Valleys) and the Security Trustee dated 25 March 2002; and
- (c) any supplemental legal charge entered into between the Borrower and the Security Trustee dated prior to the date of the Restatement Deed granting security to the Security Trustee for and on behalf of the Beneficiaries

Existing Three Valleys Loan Agreement shall have the meaning given to it in the Restatement Deed

Greater London Authority means the Greater London Authority as constituted pursuant to Part I of the Greater London Authority Act 1999

Homes and Communities Agency means the Homes and Communities Agency constituted pursuant to Part 1 of the Housing and Regeneration Act and any successor for the time being or any similar future authority carrying on any of the same grant/investment making functions (which for the purposes of this definition does not include the functions of the Social Housing Regulator), and where the context so requires, reference to the Homes and Communities Agency shall include reference to the Greater London Authority (as applicable)

Housing Corporation means the Housing Corporation constituted pursuant to the Housing Associations Act

Housing and Regeneration Act means the Housing and Regeneration Act 2008

Housing Associations Act means the Housing Associations Act 1985

Legal Mortgage means a deed incorporating, inter alia, a Charge by way of first legal mortgage in, or substantially in, the form of schedule 4 (Legal Mortgage) with such amendments as the Security Trustee may require in order that the Charge should be valid, effective and enforceable

List means in relation to the Designated Properties Schedule at any time, each of the lists of Properties as set out in such Designated Properties Schedule as designated by the Borrower in relation to a Beneficiary's Relevant Liabilities

Lloyds Loan Agreement shall have the meaning given to it in Recital (D)

Lloyds Loan Agreement Liabilities means all present and future sums, liabilities and obligations whatsoever (present or future, actual or contingent and whether sole or joint) payable, owing, due or incurred by the Borrower to any Lloyds Loan Agreement Finance Party under any of the Lloyds Loan Agreement Finance Documents

Lloyds Loan Agreement Finance Documents means the Finance Documents as defined in the Lloyds Loan Agreement

Lloyds Loan Agreement Finance Parties means the Finance Parties as defined in Lloyds Loan Agreement but excluding the Security Trustee

Lloyds Original Loan Agreement shall have the meaning given to it in the Restatement Deed

Loan Agreement Finance Documents means:

- (a) in respect of the Barclays Loan Agreement each of the Finance Documents as defined in the Barclays Loan Agreement;
- (b) in respect of the RBS Loan Agreement each of the Finance Documents as defined in the RBS Loan Agreement;
- (c) in respect of the ANTS Loan Agreement each of the Finance Documents as defined in the ANTS Loan Agreement;
- (d) in respect of the Nationwide Loan Agreement each of the Finance Documents as defined in the Nationwide Loan Agreement; and
- (e) in respect of the Lloyds Loan Agreement each of the Finance Documents as defined in the Lloyds Loan Agreement,

(each a **Loan Agreement Finance Document**)

Loan Agreement Finance Parties means:

- (a) each of the Barclays Loan Agreement Finance Parties;

- (b) each of the RBS Loan Agreement Finance Parties;
- (c) each of the ANTS Loan Agreement Finance Parties;
- (d) each of the Nationwide Loan Agreement Finance Parties; and
- (e) each of the Lloyds Loan Agreement Finance Parties,

(each a **Loan Agreement Finance Party**)

Loan Agreements means the Barclays Loan Agreement, the RBS Loan Agreement, the Lloyds Loan Agreement, the ANTS Loan Agreement and the Nationwide Loan Agreement, with each being a **Loan Agreement**

Nationwide Loan Agreement shall have the meaning given to it in Recital (F)

Nationwide Loan Agreement Finance Documents means the Finance Documents as defined in the Nationwide Loan Agreement

Nationwide Loan Agreement Finance Parties means the Finance Parties as defined in Nationwide Loan Agreement but excluding the Security Trustee

Nationwide Loan Agreement Liabilities means all present and future sums, liabilities and obligations whatsoever (present or future, actual or contingent and whether sole or joint) payable, owing, due or incurred by the Borrower to any Nationwide Loan Agreement Finance Party under any of the Nationwide Loan Agreement Finance Documents

Nationwide Loan Agreement Principal Liabilities means the principal debt outstanding to the Lenders under (and as such term is defined in) the Nationwide Loan Agreement

Original Security Trust Deeds has the meaning given to it in the Restatement Deed

Potential Enforcement Event means any event which with the giving of notice, passage of time, the making of any certification and/or declaration and/or demand and/or determination or the fulfilment of any other applicable condition or any combination of the foregoing will constitute an Enforcement Event

Proceeds means the aggregate of all receipts or recoveries by the Security Trustee pursuant to, or upon enforcement of, any of the Rights after deducting (to the extent not already deducted or retained prior to such receipt or recovery by the Security Trustee) all sums which the Security Trustee is required under the terms of the Relevant Documents or by applicable law to pay to any other person before allocating such proceeds to its own costs and distributing any such receipts or recoveries to any of the Beneficiaries

Properties means, in relation to any person, all estates or interests of such person in any freehold or leasehold property (wherever situate at the Restatement Date or in the future legally or beneficially owned by it and all buildings, fixtures, fittings (other than tenants' fixtures and fittings) and fixed plant and machinery from time to time thereon, and reference to **Property** or **property** shall be taken to include references to the whole or any part or parts of any property comprised therein at any time) which is the subject of a Security Document and complies with any requirements of the Relevant Documents

RBS ISDA Documentation means the 2002 ISDA Master Agreement, to be entered into between the Borrower and the RBS Hedging Counterparty, together with a Credit Support Annex entered into between such parties in relation thereto, a schedule to that ISDA Master

Agreement and each Confirmation or any other ancillary documentation relating to any Transaction entered into between the RBS Hedging Counterparty and the Borrower pursuant to such documentation (as from time to time amended, novated, replaced, supplemented or varied). The terms Credit Support Annex, Confirmation and Transaction, as used in this definition, shall have the meanings ascribed to them under the latest published ISDA definitions from time to time

RBS Hedging Liabilities means all present and future sums, liabilities and obligations whatsoever (whether actual or contingent and whether sole or joint) payable, owing, due or incurred by the Borrower to the RBS Hedging Counterparty as the hedging counterparty under the RBS ISDA Documentation or any of the Security Documents and Ancillary Documents in respect of its Designated Security

RBS Loan Agreement shall have the meaning given to it in Recital (C)

RBS Loan Agreement Liabilities means all present and future sums, liabilities and obligations whatsoever (present or future, actual or contingent and whether sole or joint) payable, owing, due or incurred by the Borrower to any RBS Loan Agreement Finance Party under any of the RBS Loan Agreement Finance Documents

RBS Loan Agreement Finance Documents means the Finance Documents as defined in the RBS Loan Agreement

RBS Loan Agreement Finance Parties means the Finance Parties as defined in RBS Loan Agreement but excluding the Security Trustee

RBS Original Loan Agreement shall have the meaning given to it in the Restatement Deed

Registered Provider means a "registered provider of social housing" as such term is defined in the Housing and Regeneration Act

Regulation means and includes any regulation, rule, official directive, request, guideline or code of practice (whether or not having the force of law but if not having the force of law being of a kind that is customary for the relevant person (or persons of its status or type carrying on a similar business) to comply with) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation

Regulation Committee means the Homes and Communities Agency acting through the Regulation Committee established by the Homes and Communities Agency pursuant to Part 2 of the Housing and Regeneration Act

Regulatory Framework means:

- (a) the publication entitled "The regulatory framework for social housing in England from April 2012" published by the Social Housing Regulator in March 2012 (including the annexes thereto); or
- (b) any publication, document or regulation which succeeds that publication

Relevant Beneficiary in relation to any Designated Security has the meaning given in the definition of Designated Security

Relevant Document means:

- (a) in relation to the Barclays Loan Agreement Finance Parties and their Representative, the Barclays Loan Agreement Finance Documents and any Security Documents and Ancillary Documents in respect of their Designated Security;
- (b) in relation to the RBS Loan Agreement Finance Parties and their Representative, the RBS Loan Agreement Finance Documents and any Security Documents and Ancillary Documents in respect of their Designated Security;
- (c) in relation to the RBS Hedging Counterparty and its Representative, the RBS ISDA Documentation and any Security Documents and Ancillary Documents in respect of their Designated Security;
- (d) in relation to the Lloyds Loan Agreement Finance Parties and their Representative, the Lloyds Loan Agreement Finance Documents and any Security Documents and Ancillary Documents in respect of their Designated Security;
- (e) in relation to the ANTS Loan Agreement Finance Parties and their Representative, the ANTS Loan Agreement Finance Documents and any Security Documents and Ancillary Documents in respect of their Designated Security;
- (f) in relation to the Nationwide Loan Agreement Finance Parties and their Representative, the Nationwide Loan Agreement Finance Documents and any Security Documents and Ancillary Documents in respect of their Designated Security; and
- (g) in relation to each Additional Beneficiary, each agreement or other instrument between the Borrower and such Additional Beneficiary specified as a Relevant Document in any Accession Deed executed by that Additional Beneficiary (or its Representative) and any Security Documents and Ancillary Documents in respect of its Designated Security

Relevant Liabilities means in relation to any Beneficiary or group of Beneficiaries all monies, liabilities and obligations whatsoever (present or future, actual or contingent) payable, owing, due or incurred by the Borrower to that Beneficiary or group of Beneficiaries under any Relevant Document

Relevant Proportion means, in respect of any Designated Security or, as the case may be, Relevant Beneficiary:

$$\frac{A}{B}$$

where:

A is the total Commitments in respect of the Relevant Beneficiary and

B is the total Commitments in respect of all Beneficiaries

Relevant Trustee Costs means, in relation to a Relevant Beneficiary:

- (a) in respect of any Designated Security all Trustee Costs which relate exclusively to the Designated Security of that Relevant Beneficiary
- (b) all amounts due to the Security Trustee from the Relevant Beneficiary under clause 8.4 (Indemnities) and

- (c) the Relevant Beneficiary's Relevant Proportion of all amounts due and payable under clause 9 (Remuneration of the Security Trustee) but which remain unpaid

Representative means:

- (a) in relation to the Barclays Loan Agreement Finance Parties, the Barclays Facility Agent;
- (b) in relation to the RBS Loan Agreement Finance Parties, the RBS Facility Agent;
- (c) in relation to the RBS ISDA Documentation, the RBS Hedging Counterparty Itself;
- (d) in relation to the ANTS Loan Agreement Finance Parties, the ANTS Facility Agent;
- (e) in relation to the Lloyds Loan Agreement Finance Parties, the Lloyds Facility Agent;
- (f) in relation to the Nationwide Loan Agreement Finance Parties, the Nationwide Facility Agent; and
- (g) in relation to any other Additional Beneficiaries at any time after the Accession Date of such Additional Beneficiaries whilst there are any Additional Liabilities outstanding under the Relevant Documents to which those Additional Beneficiaries are party, the entity designated in the relevant Accession Deed as the Representative in relation to the Additional Beneficiaries

Restatement Deed means the consolidation, amendment and restatement deed dated on the Restatement Date, consolidating, amending and restating the terms hereof

Rights means all rights vested in the Security Trustee by virtue of, or pursuant to, its holding the interests conferred on it by the Security Documents or under the Ancillary Documents and all rights to make demands, bring proceedings or take any other action in respect thereof

Right to Buy means the right of a tenant of any Property to buy or acquire a Property (and whether forming part or all thereof) (including, without limitation, by means of a Shared Ownership Lease where the terms of any such lease (a) are imposed by statute or (b) comply with the requirements of the Homes and Communities Agency and/or (where applicable) the Greater London Authority and/or (where applicable) the Regulatory Framework and/or (where applicable) any other guidance issued by the Social Housing Regulator or (c) have been approved by the Relevant Beneficiary (or, in respect of Undesignated Security only, approved by the Security Trustee) including, in particular, any mortgagee protection provisions proposed to be inserted in any such lease) from the Borrower under section 180 of the Housing and Regeneration Act or Part V of the Housing Act 1985 (or any similar right or scheme replacing or supplementing that right) or where a grant is provided to the Borrower in respect of such a sale under sections 35(1)(a) or 35(1)(b) of the Housing and Regeneration Act or any other statute conferring similar rights to buy or acquire to tenants of Registered Providers with which the Borrower is obliged to comply or under any contract or other voluntary arrangement conferring such a right

Secured Obligations means:

- (a) in respect of the Existing Security Documents, the meaning given to that term in the relevant Existing Security Document; and
- (b) in respect of each other Relevant Document, the aggregate of:

- (i) the Relevant Liabilities to each and all of the Beneficiaries;
- (ii) to the extent not covered by (a), all indemnification and reimbursement obligations of the Borrower under any of the Relevant Documents to each and all of the Beneficiaries and
- (iii) to the extent not covered by (a) and (b), all other amounts payable by the Borrower to the Security Trustee, any nominee, delegate or agent thereof or any receiver under any of the Relevant Documents

Security Assets means all assets, rights and property of the Borrower mortgaged or charged or assigned pursuant to any Security Document and the Rights of the Security Trustee

Security Certificate means a certificate issued by the Security Trustee in favour of a Representative for itself as Representative and on behalf of the relevant Beneficiaries in the form set out in schedule 3 (Security Certificate)

Security Documents means:

- (a) each Existing Security Document;
- (b) each Supplemental Legal Charge entered into between the Borrower and the Security Trustee;
- (c) each Legal Mortgage entered into between the Borrower and the Security Trustee;
- (d) this Deed;
- (e) any other document specified as such (i) in relation to any Undesignated Security, by the Borrower and the Security Trustee or (ii) in relation to any Designated Security, by the Borrower, the Security Trustee and the relevant Representative; and
- (f) any other document supplementing or amending a document which, in accordance with paragraphs (a) to (e) above, is a Security Document

Security Interest means any mortgage, pledge, lien, charge, security assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security (including, for the avoidance of doubt, a floating charge) or any other type of preferential arrangement having a similar effect

Security Register means the register maintained under clause 3.8 (Security Register)

Shared Ownership Lease means a shared ownership lease as defined in section 106 of the Housing Associations Act 1985

Shared Ownership Property means any Property occupied or to be occupied pursuant to a Shared Ownership Lease where the Borrower holds, or will hold upon disposal on shared ownership terms by the grant of the Shared Ownership Lease, less than 100 per cent of the beneficial interest in that Property and the purchaser of the balance of that beneficial interest may have the right to acquire a further portion of the Borrower's retained beneficial interest

Shared Ownership Sale means a disposal (after the grant of the original Shared Ownership Lease) of part or all of the Borrower's beneficial interest in any Shared Ownership Property pursuant to the shared ownership terms applying to that Shared Ownership Property

Social Housing Regulator means the Regulation Committee and any successor or successors for the time being or in each case any similar future authority carrying on any of the same regulatory/supervisory functions as the Regulator of Social Housing (as defined in the Housing and Regeneration Act)

Social Housing Regulator's General Consent means the general consent issued on 1 April 2010 by the Social Housing Regulator under section 172 of the Housing and Regeneration Act

Supplemental Legal Charge means each supplemental legal charge entered into between the Borrower and the Security Trustee for and on behalf of the Beneficiaries, pursuant to, and supplemental to, the Existing Security Documents

Taxes includes all present and future taxes, charges, imposts, duties, levies, deductions, withholdings or fees of any kind whatsoever, or any amount payable on account of or as security for any of the foregoing, by whomsoever, on whomsoever and wherever imposed, levied, collected, withheld or assessed, together with any penalties, additions, fines, surcharges or interest relating thereto, and **Tax** and **Taxation** shall be construed accordingly

Tenant Services Authority means the Office for Tenants and Social Landlords which operated as the Tenant Services Authority and which was constituted pursuant to Part 2 of the Housing and Regeneration Act

this Deed means this deed and includes each Accession Deed and any deed or other document executed in accordance with the provisions hereof (as from time to time modified in accordance herewith) and expressed to be supplemental hereto

Three Oaks shall have the meaning given to it in Recital (A)

Three Valleys shall have the meaning given to it in Recital (A)

Trustee Acts means the Trustee Act 1925 and the Trustee Act 2000

Trustee Costs means all remuneration, costs, expenses and liabilities (including, without limitation, indemnity liabilities) referred to in clause 9 (Remuneration of the Security Trustee) and all remuneration, costs, expenses and liabilities (including, without limitation, indemnity liabilities) for which the Borrower is liable under any Security Document

Trust Property means the Security Interests constituted by the Security Documents, the Rights and the Proceeds

Undesignated Security means any Security Assets (together with any Rights and Proceeds) which are not, or do not relate to, Designated Security at such time

VAT means value added tax as provided for in the Value Added Tax Act 1994 or any similar tax which may be imposed in addition to or in place thereof from time to time

1.2 In this Deed (save to the extent that the context otherwise requires) reference to any document (including this Deed and any Relevant Document) or to any provision thereof shall be construed as including any amendment, restatement, novation, variation, replacement or supplement thereof from time to time and reference to any provision of a law is a reference to that provision as amended or re-enacted and to any Regulation made under it.

1.3 References herein to the **Security Trustee**, the **Issuer Bank**, the **Barclays Facility Agent**, the **RBS Facility Agent**, the **Lloyds Facility Agent**, the **ANTS Facility Agent**, the

Nationwide Facility Agent, the **RBS Hedging Counterparty**, a **Representative**, or any **Beneficiary** shall be construed so as to include its and any subsequent successors, transferees and assigns (whether immediate or derivative) in accordance with their respective interests. References herein to the **Borrower** shall be construed so as to include its and any subsequent permitted successors, permitted transferees and permitted assigns in accordance with its interests.

- 1.4 Any provisions herein relating to Additional Beneficiaries or Additional Liabilities shall only be applicable after the first Accession Date and the parties hereto may, until the first Accession Date, exercise their rights and perform their obligations as if this Deed made no reference to Additional Beneficiaries and Additional Liabilities.
- 1.5 References herein to a **person** shall be construed as a reference to any person, firm, company, body corporate, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing.
- 1.6 For the purposes of this Deed:
- (a) subject to the Security Trustee having received express notice to the contrary, the Security Trustee shall not concern itself whether any Representative is entitled (under the terms of any Relevant Document) to give any requests or instructions to the Security Trustee;
 - (b) if any Representative, in issuing any requests or instructions, breaches any rights or restrictions set out in any Relevant Document this shall not invalidate the requests or instructions unless the relevant Representative informs the Security Trustee in relation to a request or instruction made or given by it before the Security Trustee commences to act on such request or instruction that such requests or instructions were invalid and should not be acted on. If the Security Trustee is so informed after it has commenced to act on a request or instruction the validity of any action taken shall not be affected but the Security Trustee shall take no further action in accordance with such request or instruction, except to the extent that it has become legally obliged to do so;
 - (c) only the relevant Representative shall, in accordance with the terms of the applicable Relevant Documents and this Deed, be entitled to make requests or give instructions to the Security Trustee in respect of the Relevant Documents, the Relevant Liabilities and the Designated Security and no other party to such documents nor the Borrower shall have any rights so to do or otherwise to request the Security Trustee to take any action or proceedings under or in relation to any Relevant Document;
 - (d) in relation to each separate pool of Designated Security attributed to the Relevant Liabilities owed to a Beneficiary or group of Beneficiaries, the Security Trustee shall act in accordance with the requests and instructions of the relevant Representative of that Beneficiary. For the avoidance of doubt, only the Representative of that Relevant Beneficiary shall issue instructions to, and make requests of, the Security Trustee in relation to the Designated Security attributed to those Relevant Liabilities;
 - (e) subject to clause 3.5 (Release of Security), in relation to the Undesignated Security (if any) the Security Trustee shall act in accordance with the requests and instructions of the Borrower who shall issue instructions to and make requests of the Security Trustee only in relation to the Security Assets within the Undesignated Security; and

- (f) reference to exercise of any right by a Representative will include reference to such exercise by the Representative either on its own account or on behalf or on the instruction of any persons for which it acts as Representative,

provided that nothing in this clause 1.6 shall prevent the Borrower from requesting consents or approvals in relation to any Designated Security where required under any Security Document

- 1.7 If the Security Trustee considers that an amount paid to the Security Trustee or any Beneficiary for application in or towards repayment of the Secured Obligations is capable of being avoided or otherwise set aside on the liquidation or administration of the Borrower or otherwise, then such amount shall not be considered to have been irrevocably paid for the purposes of the Security Documents.
- 1.8 A certificate of the Security Trustee setting forth the amount of any Secured Obligation due from the Borrower shall be prima facie evidence of such amount against the Borrower in the absence of manifest error. The Security Trustee shall, for the purpose of certifying the amount of any such Secured Obligation due from the Borrower, be able to rely on any information provided to it by the Borrower, any Beneficiary and/or any Representative without any liability on the part of the Security Trustee.
- 1.9 Clauses 7 (Application of Proceeds) and 8 (Activities of the Security Trustee) of this Deed are deemed to form part of each Security Document as if expressly incorporated into it and as if all references in such clauses to this Deed were a reference to such Security Document.
- 1.10 A person who is not a party to this Deed (other than Beneficiaries) has no right under the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce any terms of this Deed.
- 1.11 The headings in this Deed are for convenience only and are to be ignored in construing this Deed.
- 1.12 Unless a contrary intention appears, a term used in any other Security Document or in any notice given under or in connection with any Security Document has the same meaning in that Security Document or notice as in this Deed.
- 1.13 In this Deed, unless the contrary intention appears, a reference to **continuing** in relation to an Enforcement Event, Potential Enforcement Event or other event or occurrence, shall be construed as a reference to an Enforcement Event, Potential Enforcement Event or other event or occurrence (as applicable) which has occurred which has not been remedied or waived in accordance with the terms hereof or of the Relevant Document (as applicable).
- 1.14 In this Deed, unless the contrary intention appears, a reference to:
- (a) the Homes and Communities Agency or the Social Housing Regulator which relates to a period prior to 1 December 2008 shall be construed, as appropriate, as a reference to the Housing Corporation as the predecessor of the Homes and Communities Agency and the Social Housing Regulator;
 - (b) the Social Housing Regulator which relates to a period between 1 December 2008 and 31 March 2012 shall be construed as a reference to the Tenant Services Authority as the predecessor of the Regulation Committee as the Social Housing Regulator; and

- (c) the Greater London Authority which relates to a period between 1 December 2008 and 31 March 2012 shall be construed as a reference to the Homes and Communities Agency as the predecessor of the Greater London Authority in respect of certain housing and regeneration functions in Greater London.
- 1.15 Any reference to the Security Trust Deed or the Amended and Restated Security Trust Deed in the Loan Agreement Finance Documents shall be construed as a reference to the Security Trust Deed or the Amended and Restated Security Trust Deed as consolidated, amended and restated by this Deed and as amended, restated, supplemented and novated from time to time.
- 1.16 It is the Parties' express intention that clause 1 shall be incorporated into each of the Existing Security Documents as if set out therein in full but so that each reference in this clause 1 to "this Deed" shall be read as a reference to that Existing Security Document as appropriate.
- 1.17 In the event of any conflict between the terms of this Deed and any other Loan Agreement Finance Document, the provisions contained in this Deed shall prevail.

2 Relevant Liabilities

- 2.1 All monies and liabilities now or at any time hereafter due, owing or incurred by the Borrower in respect of:
- (a) the Barclays Loan Agreement Liabilities;
 - (b) the RBS Loan Agreement Liabilities;
 - (c) the RBS Hedging Liabilities;
 - (d) the Lloyds Loan Agreement Liabilities;
 - (e) the ANTS Loan Agreement Liabilities;
 - (f) the Nationwide Loan Agreement Liabilities;
 - (g) subject to clauses 2.2, 2.3 and 2.8, the Additional Liabilities,
- shall be Relevant Liabilities.
- 2.2 If the Borrower wishes any person to become a Beneficiary under this Deed, the Borrower shall notify the Security Trustee that such person is to become a Beneficiary hereunder. Each Beneficiary:
- (a) shall be either a sole lender to the Borrower;
 - (b) a hedging counterparty with the Borrower;
 - (c) or, shall act through a Representative where a loan is made by more than one lender (including, without limitation, by way of a syndicated loan or a loan stock, bond, note or other debt issue or security howsoever described).

For the avoidance of doubt, where a Beneficiary is also a Representative, it will act in accordance with the request and instructions of the Beneficiaries for whom it is acting as Representative and in accordance with the terms of the Relevant Documents. Where more than one Beneficiary acts through a Representative, any discretions, decisions or actions to

be undertaken pursuant to this Deed or any Security Document by a Beneficiary shall be undertaken by such Representative on behalf of the relevant Beneficiaries and the term **Beneficiary** shall be construed accordingly. No person may become a Beneficiary unless that person or its Representative is either a party to this Deed as consolidated, amended and restated on the Restatement Date or has entered into an Accession Deed and Relevant Documents recording the terms of the Relevant Liabilities save that a New Lender (as defined in each of the relevant Loan Agreements) shall automatically become a Beneficiary without further formality or requirement for an Accession Deed upon it becoming a New Lender in accordance with the terms of the relevant Loan Agreement.

- 2.3 No later than the relevant Accession Date the Borrower and either the Representative in respect of each proposed Additional Beneficiary or the proposed Additional Beneficiary shall deliver to the Security Trustee:
- (a) an Accession Deed executed by the Borrower and each proposed Additional Beneficiary (or the Representative in respect of each proposed Additional Beneficiary);
 - (b) a copy of the Relevant Documents evidencing or regulating the Relevant Liabilities executed by the Borrower and each proposed Additional Beneficiary (or the Representative in respect of each proposed Additional Beneficiary);
 - (c) any Security Documents and Ancillary Documents which may be required under the Relevant Documents and the relevant Accession Deed; and
 - (d) a revised Designated Properties Schedule (completed in accordance with clause 3.1 (Designation of Security)), incorporating details of the Properties and any other Security Assets the Proceeds of which are allocated for application in reduction of the Relevant Liabilities of the proposed Additional Beneficiary.
- 2.4 Subject to clause 2.5 and clause 3.2, upon receipt by the Security Trustee of the duly completed and executed documents referred to in clause 2.3, the Security Trustee shall execute the Accession Deed and issue a Security Certificate to the Representative of the Additional Beneficiary and the Borrower and shall also give notice thereof to the existing Beneficiaries (if any).
- 2.5 Each Beneficiary irrevocably instructs the Security Trustee to execute on its behalf each Accession Deed duly delivered to the Security Trustee under clause 2.3, clause 2.7 or clause 2.8. It is hereby agreed by the parties hereto that any Accession Deed delivered pursuant to clause 2.3, clause 2.7 or clause 2.8 shall take effect upon its execution by the Security Trustee.
- 2.6 If the Borrower has irrevocably repaid all liabilities to any Beneficiary in respect of any Relevant Liabilities and such Beneficiary is not under a commitment to make any facility or financial accommodation available to the Borrower under the Relevant Documents, the relevant Representative and the Borrower shall notify the Security Trustee to that effect (who in turn shall promptly notify the Representatives of the remainder of the Beneficiaries) and such Beneficiary shall cease to be a Beneficiary under this Deed. In the event that any Property was Designated Security in respect of any person who has ceased to be a Beneficiary hereunder, such Property shall be designated as Undesignated Security until an amended Designated Properties Schedule is delivered pursuant to clause 3.1(a).
- 2.7 In the event that the rights of any Beneficiary (**Outgoing Beneficiary**) under the Relevant Documents pass to another person (**Replacement Beneficiary**) (whether by sale, transfer,

assignment, novation or replacement of a Representative or other agent or trustee or otherwise, but excluding any transfer, assignment or novation by a Lender to a New Lender (as each as defined in and in accordance with each of the relevant Loan Agreements), then the Outgoing Beneficiary will procure that the Replacement Beneficiary execute an Accession Deed (with such non-material modifications as the Security Trustee may agree) and, with effect from execution of such Accession Deed by the Security Trustee, the Security Trustee will recognise the Replacement Beneficiary as Beneficiary hereunder in place of (or in the case of a partial sale, transfer, assignment, novation or replacement, in addition to) the Outgoing Beneficiary. The Security Trustee shall be under no obligation to ascertain or verify whether any requirements of the Relevant Documents in respect of the vesting of any rights or powers or functions in the Replacement Beneficiary or its Representative have been complied with.

- 2.8 Any Beneficiary or, as applicable, its Representative together with the Borrower may from time to time execute a further Accession Deed (with such modifications as the Security Trustee may agree) under which documents specified in that Deed are declared to be Relevant Documents. Clauses 2.2 to 2.5 (inclusive) will apply in relation to such Accession Deed and such Relevant Liabilities.

3 The Security

3.1 Designation of Security

- (a) On:
- (i) the Restatement Date;
 - (ii) each Accession Date;
 - (iii) each date on which the Security Trustee is notified that any person has ceased to be a Beneficiary hereunder;
 - (iv) each date on which a Legal Mortgage is delivered to the Security Trustee in accordance with clause 3.2(a); and
 - (v) each date on which Properties are to become Designated Security or (subject to clause 3.1(b)) cease to be Designated Security as regards any Beneficiary,

in each case each relevant Representative and the Borrower shall attribute, in relation to each Relevant Beneficiary's Relevant Liabilities, specific Properties together with related Rights in relation to those Properties (having regard to all the circumstances relating to such Properties including, inter alia, consideration of the results of any investigations or due diligence carried out with respect to such Properties and without designating any specific Property more than once) and any other relevant Security Assets and shall schedule and approve by their signature such designation of Properties and the related Rights in relation thereto and any other relevant Security Assets among the Relevant Beneficiaries (**Designated Properties Schedule**) and shall deliver such Designated Properties Schedule to the Security Trustee.

- (b) In the event that any Property ceases to be Designated Security due to a disposal of that Property pursuant to the exercise of a Right to Buy or a Shared Ownership Sale in full, the date on which on the relevant Representative and the Borrower shall

deliver an amended Designated Properties Schedule to the Security Trustee to reflect that disposal shall be the earlier of:

- (i) the end of the calendar quarter falling after the Restatement Date in which the relevant disposal occurred; and
- (ii) the date on which a Designated Properties Schedule is delivered under any of clauses 3.1(a)(ii)-(v) (both inclusive),

in each case such amended Designated Properties Schedule must include details of such disposal(s) pursuant to the exercise of a Right to Buy or a Shared Ownership Sale in full.

- (c) Each Representative and the Borrower shall review from time to time the Designated Properties Schedule following the release and/or substitution of any Property and shall, if required to do so pursuant to clause 3.1(a), deliver to the Security Trustee an amended Designated Properties Schedule signed by the Borrower and each relevant Representative, which shall have been amended by either removing Designated Security from the Designated Properties Schedule (whereupon the same shall either become Undesignated Security capable of being redesignated or released in accordance with the terms of this Deed) or by designating any Undesignated Security as Designated Security.
- (d) The Designated Properties Schedule as amended pursuant to clause 3.1(b) or clause 3.1(c) shall not become binding on any Beneficiary unless and until it has been approved and signed by each relevant Representative, such approval and signature not to be unreasonably withheld or delayed. For the purposes of this clause 3, a relevant Representative is both a Representative of a Beneficiary to whom Property was designated immediately prior to the issue of the new Designated Properties Schedule and a Representative of a Beneficiary to whom such Property is to be designated under the new Designated Properties Schedule. In the absence of such approval and signature, the most recent Designated Properties Schedule so approved and signed shall continue to apply. For the avoidance of doubt, the withholding or delay of approval and signature by a Representative shall not be unreasonable if it is withheld or delayed pending completion of due diligence procedures satisfactory to any relevant Beneficiary or if the results of any such procedures are not satisfactory to the Representative (provided such due diligence procedures are themselves being carried out in good faith and without undue and unreasonable delay) but the withholding or delay of approval by one Beneficiary or Representative shall not affect the agreement of the Designated Properties Schedule in so far as it relates to any other Beneficiary.
- (e) The Borrower shall promptly deliver a copy of the amended Designated Properties Schedule to the Security Trustee at any time after amendments have been made thereto or otherwise on request of the Security Trustee.
- (f) On the Restatement Date and on each date on which an amended Designated Properties Schedule is delivered to the Security Trustee pursuant to clause 3.1(a), the Security Trustee shall issue a Security Certificate in respect of the relevant Designated Security to each relevant Representative.
- (g) On each occasion when the Designated Properties Schedule is prepared or revised, the Borrower represents to the Security Trustee, each Representative and each

Beneficiary under this Deed at that time that none of its Properties or other Security Assets are listed on more than one List of Designated Security.

3.2 Conditions Precedent

- (a) On or prior to creating a Legal Mortgage in respect of any Property, the Borrower shall deliver to the Security Trustee (or such person as shall be nominated by the Security Trustee, to be held by such person to the order of the Security Trustee) the documents listed in schedule 2 (save to the extent that the Security Trustee waives such requirement), such documents to be in form and substance satisfactory to:
- (i) the Security Trustee (in its absolute discretion) who shall, for the avoidance of doubt, owe no duty of care to any Beneficiary in connection with the form or substance of any such documents; and
 - (ii) (where applicable) the Representative of each Relevant Beneficiary who shall, for the avoidance of doubt, confirm the same to the Security Trustee in writing,

provided that, for the avoidance of doubt, paragraph (ii) shall not apply where the Borrower has notified the Security Trustee in writing that the Properties charged pursuant to such Legal Mortgage are being charged as Undesignated Security at that time.

- (b) Before the Designated Properties Schedule is amended in accordance with clause 3.1 in respect of either any new security which has been charged as security under clause 2 (Relevant Liabilities) or each time any security is allocated as Designated Security in respect of a Beneficiary or group of Beneficiaries for the first time in accordance with clause 3.1, the Borrower shall certify to the Representative of any Relevant Beneficiary or intended Relevant Beneficiary that:
- (i) it is not aware of any matter affecting the marketability of that security; and
 - (ii) if applicable, all Properties which are to comprise the Designated Security are let on Approved Tenancy Agreements,

and the Security Trustee shall deliver a Security Certificate to the Representative of the Relevant Beneficiary or intended Relevant Beneficiary in accordance with the terms of this Deed.

- (c) Each Beneficiary will be deemed to have inspected each Security Certificate delivered to its Representative in respect of its Designated Security and each document, which is referred to in each Security Certificate and has been made available for inspection, whether or not it does inspect the same.

3.3 Execution

Each of the Beneficiaries hereby appoints the Security Trustee or such person or persons as the Security Trustee may nominate to execute (whether under seal or under hand) and deliver any Security Document to be executed and delivered on its behalf.

3.4 Registration

Each of the Beneficiaries hereby confirms and agrees that it does not wish to be registered as the joint proprietor of any Charge created pursuant to any Security Document in respect of the

Designated Security and accordingly authorises the Security Trustee to hold such Charge in its sole name as trustee for the Beneficiaries and requests the Land Registry to register the Security Trustee as the sole proprietor of any such Charge.

3.5 Release of Security

- (a) At any time prior to the Security Trustee taking any steps to enforce any Designated Security, upon receiving instructions from the relevant Representative so to do, the Security Trustee shall release the benefit of any encumbrance, rights or obligations held by it as security for all or any of the Secured Obligations over all or part (as instructed) of the relevant Designated Security allocated to the Relevant Documents in relation to which that Representative has been appointed, provided that the Borrower shall have paid to the Security Trustee, or provided for to the satisfaction of the Security Trustee, all Trustee Costs which relate to that Designated Security.
- (b) At any time prior to the Security Trustee taking any steps to enforce any Undesignated Security, upon receiving instructions from the Borrower, the Security Trustee shall release the benefit of any Security Interest, rights or obligations held by it over all or part (as instructed) of the relevant Undesignated Security as security for all or any of the Secured Obligations provided that the Borrower shall have paid to the Security Trustee, all Trustee Costs which relate to that Undesignated Security.

3.6 Protection of Designated Security

In relation to any Security Assets comprised in the Designated Security in respect of the Relevant Beneficiary:

- (a) save for where there is a Right to Buy or Shared Ownership Sale, the Security Trustee will not execute any release of any Security Document constituting the Designated Security unless instructed in writing by the Representative of the Relevant Beneficiary (and the Representative shall promptly send a copy of any such instructions to the Borrower) (for the avoidance of doubt, such Representative shall promptly instruct the Security Trustee to release any Designated Security where such release is permitted pursuant to the Relevant Beneficiary's Relevant Documents and shall promptly send a copy to the Borrower of any such instructions to the Security Trustee) or otherwise save as may be required by law;
- (b) each Representative and the Borrower severally undertakes that it will not without the written consent of the Representative of the Relevant Beneficiary:
 - (i) purport to designate any of the Designated Security for such Relevant Beneficiary as security for any monies, liabilities or obligations whatsoever (actual or contingent) payable, owing, due or incurred by the Borrower to any person other than the Relevant Beneficiary; or
 - (ii) save as permitted by the Relevant Documents in respect of the Relevant Beneficiary or save as may be required by law, enter into any deed or document which would create any Security Interest affecting such Designated Security; and
- (c) the Security Trustee shall be entitled to (and it is the intention that it shall) rely on any Designated Properties Schedule delivered to it in accordance with this Deed and any representation, warranty and approval given by a Representative in any instruction delivered to it or agreement made with it pursuant to this clause 3 without further

enquiry and when releasing the benefit of any Security Interest or obligations and/or, as the case may be, reassigning any property and/or, as the case may be, treating any security as Undesignated Security pursuant to this clause 3 the Security Trustee shall not be required to (and it is the intention that the Security Trustee shall not) consider whether any rights of or obligations owed to any Beneficiary will be or are likely to be prejudiced by such release or, as the case may be, reassignment or, as the case may be, treatment as Undesignated Security.

3.7 Information

Each Representative shall provide the Security Trustee, on request, with accurate and up-to-date information as to the Relevant Liabilities owing (actually or contingently) to the Beneficiary for which it is the Representative to enable the Security Trustee to perform its functions under this Deed, such certificate to be in a form reasonably required by the Security Trustee and signed by an authorised officer of the Representative and the Security Trustee shall be entitled to rely on any such certificates and shall have no duty to enquire as to the accuracy thereof.

3.8 Security Register

The Borrower will at all times maintain a separate register in respect of each pool of Designated Security held by the Security Trustee for and on behalf of a Relevant Beneficiary and a separate register of Undesignated Security (such registers together form the **Security Register**). The Borrower will promptly make an entry in the Security Register in respect of:

- (a) each asset charged by the Borrower in favour of the Security Trustee so as to form part of the Security Assets together with details of the Relevant Beneficiary in relation to each item of Designated Security;
- (b) each release of Security Assets from any Security Document;
- (c) any disposition or dealing affecting any Security Asset including (without limitation) any disposition by operation of law but excluding any letting on an Approved Tenancy Agreement;
- (d) each redesignation of Property comprised in Designated Security as Undesignated Security;
- (e) each redesignation of Property comprised in Undesignated Security as Designated Security; and
- (f) each redesignation of Property as Designated Security.

3.9 Inspection

The Security Register in respect of each Representative will be open to inspection by that Representative, the Relevant Beneficiaries and the Security Trustee at all reasonable times during business hours at the registered office of the Borrower from time to time. The Security Register in respect of Undesignated Security will be open to inspection on like terms by the Security Trustee.

3.10 Reconciliation

Not less than once in every successive period of three months falling after the Restatement Date, the Borrower shall deliver to the Security Trustee a copy of the Security Register so as to enable the Security Trustee to reconcile its records to the Security Register.

3.11 **Documentary Taxes indemnity**

All stamp, documentary, registration or other like duties or Taxes, including any penalties, additions, fines, surcharges or interest relating to those duties and Taxes which are imposed or chargeable on or in connection with any Security Document shall be paid by the Borrower. The Security Trustee shall be entitled but not obliged to pay any such duties or Taxes (whether or not they are its primary responsibility). If the Security Trustee does so, it shall notify the Borrower as soon as reasonably practicable, and in any event the Borrower shall on demand indemnify the Security Trustee against those duties and Taxes and against any costs and expenses incurred by the Security Trustee in discharging them and hereby agrees to pay an equivalent amount to the Security Trustee of any costs or expenses incurred by the Security Trustee in discharging the same.

4 **Trust**

The Security Trustee shall hold the Trust Property on trust for the Beneficiaries and, subject to the interest of the Beneficiaries, for the Borrower (in accordance with its equity of redemption) on the terms and subject to the conditions contained herein.

5 **Modification**

The Security Trustee may from time to time with the consent or sanction of the Representative of each Beneficiary (a) agree with the Borrower in making any modification to any term of this Deed and/or any Accession Deed and/or the Security Documents or (b) agree with the Blaby District Council or Erewash Borough Council or other relevant person in making any modification to any term of, or rights in respect of, the Blaby Collateral Warranty and the Erewash Collateral Warranty (respectively) or the Blaby Warranties and the Erewash Warranties (respectively) or any other Ancillary Document which affects or may affect the rights and obligations of such Beneficiary. Such modification may be made without the concurrence of the Representative of any other Beneficiary whose rights and obligations are not affected or prejudiced by that modification.

6 **Default Procedure**

6.1 If a Representative or any Beneficiary (as applicable) becomes aware of the occurrence of an Enforcement Event or a Potential Enforcement Event under a Relevant Document to which it is a party which is continuing unremedied or unwaived, such Representative or such Beneficiary (as applicable) shall notify the Security Trustee of the same and the Security Trustee shall within five Business Days inform each other Representative of the Enforcement Event or the Potential Enforcement Event giving reasonable details of the same.

6.2 Following notification pursuant to clause 6.1:

- (a) each Representative shall within three Business Days provide the Security Trustee with the information required pursuant to clause 3.7 (Information) solely for the purposes of determining each Beneficiary's Relevant Liabilities; and
- (b) in relation to the Designated Security attributed to the Relevant Liabilities of a Relevant Beneficiary, the Security Trustee shall, following the occurrence of an Enforcement Event which is continuing unremedied or unwaived in relation to such

Relevant Liabilities and if so instructed by the Representative of that Relevant Beneficiary, enforce the Rights which relate to the Designated Security in accordance with the instructions of that Representative provided that nothing in this clause 6.2 shall entitle the Representative to enforce any Rights contrary to the terms of any of the Relevant Documents and provided that the Security Trustee shall be entitled to decline to take any action to enforce any security unless indemnified and/or secured to its satisfaction.

- 6.3 Each of the parties hereto and to the Restatement Deed agrees that an Enforcement Event under a Relevant Document shall constitute an Enforcement Event under each other Relevant Document.

7 Application of Proceeds

- 7.1 The Security Trustee shall, upon the enforcement of the Rights, and after satisfying claims which at law rank in priority to sums owing under or in respect of any of the Relevant Documents, apply all Proceeds and all money derived therefrom:

- (a) in respect of each item of Designated Security in the order of priorities set out in clause 7.2; or
- (b) in respect of each item of Undesignated Security in the order of priorities set out in clause 7.3.

- 7.2 The order of priorities referred to in clause 7.1(a) is:

- (a) first, in or towards payment of all Relevant Trustee Costs;
- (b) secondly, in or towards satisfaction of all Relevant Liabilities of the Relevant Beneficiary (other than Relevant Trustee Costs) in accordance with the Relevant Documents in respect of the Relevant Liabilities;
- (c) thirdly, by allocating the balance among the Beneficiaries whose Relevant Liabilities have not been fully discharged under clause 7.2(b) above pro rata to their unpaid liabilities so that the amount allocated to each Beneficiary shall be applied in satisfaction when due of the Relevant Liabilities owed to such Beneficiary arising in connection with the Relevant Document in the order of priority set out therein (and so that, in each case, any surplus remaining after payment of all such Relevant Liabilities when due shall be re-allocated among the remaining Beneficiaries *mutatis mutandis* in accordance with the foregoing provisions);
- (d) fourthly, to the extent not recovered under clause 7.2(a) above, in or towards payment of all Trustee Costs; and
- (e) fifthly, the balance, if any, to the Borrower.

- 7.3 The order of priorities referred to in clause 7.1(b) is:

- (a) first, to the extent not recovered under clauses 7.2(a) 7.2(b), 7.2(c) or 7.2(d) above in or towards payment of all Trustee Costs;
- (b) secondly, by allocating the balance among the Beneficiaries whose Relevant Liabilities have not been fully discharged under clauses 7.2(a) 7.2(b), 7.2(c) or 7.2(d) above pro rata to their unpaid liabilities so that the amount allocated to each Beneficiary shall be applied in satisfaction when due of the Relevant Liabilities owed

to such Beneficiary arising in connection with the Relevant Document in the order of priority set out therein (and so that, in each case, any surplus remaining after payment of all such Relevant Liabilities when due shall be re-allocated among the remaining Beneficiaries *mutatis mutandis* in accordance with the foregoing provisions); and

(c) thirdly, to the Borrower.

7.4 Clauses 7.1 to 7.3 (inclusive) and clause 7.11 may only be varied with the consent of all the Beneficiaries.

7.5 No Beneficiary or group of Beneficiaries (whether or not acting via the relevant Representative) may, without the prior written consent of all existing Blaby Warranty Beneficiaries as at the Restatement Date, rely upon, nor make a claim or claims (or instruct the Security Trustee to do so) under or in respect of, the Blaby Collateral Warranty or instruct the Borrower to make a claim or claims under, or in respect of, the Blaby Council Sale Agreement referred to in part (a) of the definition of Blaby Council Sale Agreements or the Blaby Warranties other than the existing Blaby Warranty Beneficiaries as at the Restatement Date.

7.6 No Beneficiary or group of Beneficiaries (whether or not acting via the relevant Representative) may, without the prior written consent of all existing Erewash Warranty Beneficiaries as at the Restatement Date, rely upon, nor make a claim or claims (or instruct the Security Trustee to do so) under or in respect of, the Erewash Collateral Warranty or instruct the Borrower to make a claim or claims under, or in respect of, the Erewash Deed of Warranty or the Erewash Warranties other than the existing Erewash Warranty Beneficiaries as at the Restatement Date.

7.7 Subject to clause 7.8, as between the existing Erewash Warranty Beneficiaries as at the Restatement Date, it is agreed that in the following circumstances:

- (a) if (and only if) the English Courts make a final determination that a financial cap or limit (the "**Cap**") is to be imposed on the Erewash Collateral Warranty; or
- (b) an Erewash Warranty Beneficiary as at the Restatement Date (whether or not acting via the relevant Representative or the Security Trustee) instructs the Borrower to make a claim or claims under, or in respect of, the Erewash Deed of Warranty or the Erewash Warranties (a **Borrower Warranty Claim**),

then the amount of the Cap and the Borrower Warranty Claim (to the extent that the existing Erewash Warranty Beneficiaries as at the Restatement Date are entitled to the same) (together the "**Aggregate Warranty Amount**") will be split (the **Split**) as follows:

- (i) subject to the operation of clause 7.8, 25/98 to the Nationwide Facility Agent (acting as Representative for the Nationwide Loan Agreement Finance Parties) (**Nationwide Split**); and
- (ii) subject to the operation of clause 7.8, 73/98 to the RBS Facility Agent (acting as Representative for the RBS Loan Agreement Finance Parties) (**RBS Split**),

without, in each case, the consent (not to be unreasonably withheld or delayed) of the Representative of each other Beneficiary or group of Beneficiaries that is relying upon the Erewash Collateral Warranty in accordance with clause 7.6.

7.8 It is agreed that notwithstanding clause 7.7:

- (a) the amount to which the respective existing Erewash Warranty Beneficiaries as at the Restatement Date are entitled to under clause 7.7 shall not exceed the RBS Loan Agreement Liabilities or, as the case may be, the Nationwide Loan Agreement Liabilities at the relevant time and in this regard (but without prejudice to the foregoing) it is further agreed in relation to the Split that:
- (i) subject to the Borrower making the scheduled repayments of principal in the amounts and on the dates (being 25 October 2013, 25 September 2014, 25 July 2015 and 5 February 2016 as at the Restatement Date) set out in the Nationwide Loan Agreement and the Nationwide Facility Agent receiving the same in cleared funds (each such date being a **Nationwide Actual Repayment Date**), the Nationwide Facility Agent shall promptly following each Nationwide Actual Repayment Date issue a notice (**Warranty Split Notice**) to the RBS Facility Agent and the Borrower (with a copy to the Security Trustee) substantially in the form set out in schedule 5. Following the issue of each Warranty Split Notice and with effect from each Nationwide Actual Repayment Date, the Split will be automatically deemed to be adjusted such that:
- (A) the Nationwide Split will be adjusted to reflect 125% (one hundred and twenty five per cent) of the Nationwide Loan Agreement Principal Liabilities (calculated following receipt of the repayment from the Borrower on the relevant Nationwide Actual Repayment Date) divided by 1,000,000 (one million) expressed as a proportion of 98. For example, if the Nationwide Loan Agreement Principal Liabilities were £15,000,000 (fifteen million pounds), the Nationwide Split would be calculated as follows:
- 1) $15,000,000 \times 1.25/1,000,000 = 18.75/98$; and
- (B) the RBS Split will be adjusted accordingly to reflect the Nationwide Split calculated in accordance with sub-paragraph (A) above, as a proportion of 98. Using the example in sub-paragraph (A) above, the RBS Split would be 79.25/98
- (b) the extent to which the amount equal to the proportion of the Aggregate Warranty Amount to which an existing Erewash Warranty Beneficiaries as at the Restatement Date is entitled under clause 7.7 exceeds the relevant amount referred to in clause 7.8(a), shall be capable of being relied upon and used by the other existing Erewash Warranty Beneficiary as at the Restatement Date and the existing Erewash Warranty Beneficiaries as at the Restatement Date shall take such action and (if required) make such balancing payments as may be required to give effect to this clause 7.8(b); and
- (c) in the event that either (i) the RBS Facility Agent and the other RBS Loan Agreement Finance Parties or (ii) the Nationwide Facility Agent and the other Nationwide Loan Agreement Finance Parties cease to be Beneficiaries, then the Aggregate Warranty Amount shall be capable of being relied upon and used by the other existing Erewash Warranty Beneficiary as at the Restatement Date and the existing Erewash Warranty Beneficiaries as at the Restatement Date shall take such action and (if required) make such balancing payments as may be required to give effect to this clause 7.8(c).

- 7.9 If the Security Trustee receives written instructions from the ANTS Facility Agent that the provisions in Clause 7.5 shall no longer apply it is agreed that Clause 7.5 shall cease to have effect and the provisions contained therein shall not apply. For the avoidance of doubt, no consent of any other Beneficiary or group of Beneficiaries shall be required for this Clause 7.9 to take effect. However, the Security Trustee shall promptly, upon receipt of written instructions from the ANTS Facility Agent to do so, notify the Borrower and each Beneficiary (or Representative on their behalf) in writing upon receipt of such written instructions.
- 7.10 If the Security Trustee receives written instructions from both the RBS Facility Agent and the Nationwide Facility Agent that the provisions in Clauses 7.6, 7.7 and 7.8 shall no longer apply it is agreed that Clauses 7.6, 7.7 and 7.8 shall cease to have effect and the provisions contained therein shall not apply. For the avoidance of doubt, no consent of any other Beneficiary or group of Beneficiaries shall be required for this Clause 7.10 to take effect. However, the Security Trustee shall promptly, upon receipt of written instructions from the RBS Facility Agent and the Nationwide Facility Agent to do so, notify the Borrower and each Beneficiary (or Representative on their behalf) in writing upon receipt of such written instructions. In the event that the RBS Loan Agreement Liabilities or, as the case may be, the Nationwide Loan Agreement Liabilities are discharged in full, the written instructions referred to in this clause 7.10 shall come from only the RBS Facility Agent or, as the case may be, the Nationwide Facility Agent.
- 7.11 This clause 7 shall override any appropriation made by the Borrower.
- 7.12 The Security Trustee will not take any enforcement action against the Undesignated Security unless and until it is satisfied that all Trustee Costs have not and will not be recovered pursuant to clause 7.2, and to the enforcement of any Designated Security.
- 7.13 Notwithstanding the terms of the Existing Security Document at sub-paragraph (b) of the definition of Existing Security Documents, it is agreed that the Nationwide Facility Agent shall instruct the Security Trustee to pay any proceeds received by the Security Trustee in respect of an Environmental Warranty Claim (as such term is defined in the Nationwide Loan Agreement) and which, in the opinion of the relevant valuer, expert or other appropriate professional (acting as an expert and not as an arbitrator) engaged jointly by the Nationwide Facility Agent and the RBS Facility Agent (as agreed and if not so agreed as determined at the relevant time by the president for the time being of the Royal Institute of Chartered Surveyors), relate to Designated Security allocated to the Nationwide Facility Agent and the other Nationwide Loan Agreement Finance Parties, into the Environmental Warranty Claims Account (as such term is defined in the Nationwide Loan Agreement).

8 Activities of the Security Trustee

- 8.1 The Security Trustee shall only be required to take any action to enforce or protect the security created by any Security Document in respect of any Designated Security and any document referred to therein if instructed to do so by the relevant Representative and may refrain from exercising any right, power or discretion vested in it by this Deed or any Relevant Document in respect of such Designated Security unless and until instructed by the relevant Representative as to whether or not any such right, power or discretion is to be exercised and as to the manner in which it should be exercised and subject always to the provisions of this Deed. The Security Trustee shall be entitled to seek instructions from the relevant Representative as to the manner in which it should carry out any course of action and will act in accordance with any such instructions given by the relevant Representative subject to the provisions of this Deed. The Security Trustee shall not be liable to any Representative, Beneficiary or to the Borrower for any action it may take in accordance with any such instructions in respect of the exercise of any right or power hereby conferred or in respect of

any matter not expressly provided for in this Deed. The Security Trustee shall be entitled to seek clarification from the relevant Representative with regard to any such instructions and may in its discretion elect not to act pending receipt of such clarification or an indemnity and/or security to its reasonable satisfaction from such relevant Representative.

8.2 Discretions and Duties

In addition to other discretions and duties provided in this Deed, the Security Trustee shall:

- (a) promptly send to the Representatives of the Beneficiaries or, at the Security Trustee's discretion, the Representative of each Beneficiary for whom the Property in question is Designated Security, details of each communication received by it from the Borrower under this Deed or any of the Security Documents or the Ancillary Documents in relation to that Property provided that the Security Trustee shall not be obliged to report more frequently than quarterly in relation to changes to the Security Register and matters required to be recorded on the Security Register;
- (b) promptly inform the Representative of each Beneficiary of any matter of which it (in its capacity as Security Trustee) or any of its agents (acting in that capacity) becomes aware which affects the Designated Security in respect of that Beneficiary (including without limitation any disposal or Security Interest affecting or attaching to that Designated Security by operation of law and/or notified by the Land Registry); and
- (c) save as otherwise expressly provided in this Deed or any of the Security Documents or the Ancillary Documents, in granting any consent or waiver or exercising any power, trust, authority or discretion hereby vested in it, act as it, in its absolute discretion, shall think fit, in which case it shall be in no way responsible for any loss, costs, damages or expenses which may result from the exercise or non exercise thereof save in the case of breach of trust caused by its own negligence, wilful default or fraud.

8.3 Protections

By way of supplement to the Trustee Acts, it is expressly declared as follows:

- (a) that the provisions of section 1 of the Trustee Act 2000 shall not apply to the Security Trustee or any of the provisions of this Deed;
- (b) the Security Trustee may in relation to any of the provisions of this Deed, each Accession Deed, any of the Security Documents or the Ancillary Documents, obtain, pay for and act on the opinion or advice of or any information obtained from any lawyer, valuers, surveyor, broker, auctioneer, accountant or other expert whether obtained by the Borrower, any Beneficiary, any Representative or by the Security Trustee or otherwise and shall not be responsible for any loss occasioned by so acting provided that the Security Trustee has exercised due care and acted in good faith in the selection of such person;
- (c) any opinion, advice or information obtained pursuant to clause 8.3 may be sent or obtained by letter, facsimile transmission, telephone or other means and the Security Trustee shall not be liable for acting on any opinion, advice or information purporting to be so conveyed or any other document purporting to be conveyed from any Beneficiary, any Representative or the Borrower notwithstanding if, in any such case, the same may contain some error or may not be authentic;

- (d) the Security Trustee may call for and shall be at liberty to accept as sufficient evidence a certificate signed by any one Authorised Signatory to the effect that any particular dealing, transaction, step or thing is in the opinion of the persons so certifying suitable or expedient or as to any other fact or matter upon which the Security Trustee may require to be satisfied. The Security Trustee shall be in no way bound to call for further evidence or be responsible for any loss that may be occasioned by acting on any such certificate even if the same contains an error or is not authentic;
- (e) the Security Trustee may refrain from doing anything which would or might reasonably be expected to in its opinion (acting reasonably) be contrary to any law of any jurisdiction or any directive of any agency of any state or which would or might reasonably be expected to in its opinion (acting reasonably) otherwise render it liable to any person and may do anything which is in its opinion necessary to comply with any such law or directive;
- (f) save where the Security Trustee has confirmed that it has:
 - (i) obtained any licence, consent or other authority for the execution of any Security Documents;
 - (ii) registered the same; or
 - (iii) obtained any documents which, under the terms of any Security Document or Ancillary Document, should have been deposited with it,

and any Beneficiary relies on the same, the Security Trustee shall not be liable for any failure, omission, or defect in perfecting the security constituted by any of the Security Documents including without prejudice to the generality of the foregoing:

- (A) failure to obtain any licence, consent or other authority for the execution of any Security Document;
 - (B) failure to register the same; or
 - (C) failure to obtain any documents which, under the terms of any Security Document or Ancillary Document, should have been deposited with it;
- (g) the Security Trustee shall accept without enquiry, requisition, objection or investigation such title as the Borrower may have to the Security Assets or any part thereof;
 - (h) the Security Trustee shall be at liberty to place any of the Security Documents and any other instruments, documents or deeds delivered to it pursuant to or in connection with any of the Security Documents for the time being in its possession in any safe deposit, safe or receptacle selected by it without being bound to enquire as to the existence or adequacy of any insurances with any bank or building society within the United Kingdom, any company whose business includes the safe custody of documents or any reputable firm of lawyers, or, in respect of any insurance policies, to place the policy documents with any insurance broker of good repute, and shall not be responsible for any loss thereby incurred and, without prejudice to the foregoing, the Borrower's lawyers may retain any such instruments, documents or deeds delivered to the Security Trustee pursuant to or in connection with the Security

Documents provided that such lawyers undertake to hold such instruments, deeds or documents to the order of the Security Trustee;

- (i) save as otherwise provided in this Deed, any Accession Deed or any Security Document, all moneys which under the trusts herein contained are received by the Security Trustee may be invested in the name of or under the control of the Security Trustee in any investment for the time being authorised by English law for the investment by trustees of trust moneys or in any other investments, whether similar to the aforesaid or not, which may be selected by the Security Trustee or by placing the same on deposit in the name of or under the control of the Security Trustee at such bank or institution (including the Security Trustee) as the Security Trustee may think fit, and the Security Trustee may at any time vary or transfer any such investments for or into other such investments and shall not be responsible for any loss occasioned thereby whether by depreciation in value or otherwise save in respect of any gross negligence or wilful default by the Security Trustee. For the avoidance of doubt, the Security Trustee may not invest such moneys in any currency other than sterling and may not convert any such moneys deposited in any such investments into any other currency;
- (j) the Security Trustee may in the conduct of the trusts hereof instead of acting personally employ and pay an agent (on such terms and subject to such conditions, including the power to sub-delegate, as the Security Trustee may specify) whether being a solicitor or other appropriately qualified person to transact or concur in transacting any business and to do or concur in doing any acts required to be done by the Security Trustee including the receipt and payment of money and any agent being a solicitor, broker or other person engaged in any profession or business shall be entitled to be paid all usual professional and other charges for business transacted and acts done by him or any partner of his in connection with the trusts hereof. The Security Trustee shall not be responsible for the acts or omissions of any such person provided that the Security Trustee has exercised due care and acted in good faith in the selection of such person;
- (k) the Security Trustee shall have only those duties, obligations and responsibilities expressly specified in this Deed and shall not have any implied duties, obligations and responsibilities;
- (l) the Security Trustee shall not be under any obligation to insure any of the Trust Property or any deeds or documents of title or other evidence in respect thereof and shall not be responsible for any loss, expense or liability which may be suffered as a result of the lack of or inadequacy of any such insurance;
- (m) no provision of this Deed, the Restatement Deed, any Accession Deed or any Relevant Document or any document referred to therein shall require the Security Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity and/or security against such risk or liability is not assured to it;
- (n) the Security Trustee shall not be responsible for the legality, validity, effectiveness, suitability, adequacy or enforceability of any Relevant Document or other documents entered into in connection therewith or any other document or any obligation or rights created or purported to be created thereby or pursuant thereto or any security or the priority thereof constituted or purported to be constituted thereby or pursuant thereto, nor shall it be responsible or liable to any person because of any invalidity of any

provision of such documents or the unenforceability thereof, whether arising from statute, law or decision of any court, nor shall it be responsible for the adequacy, accuracy and/or completeness of any information whatsoever supplied to any person in connection with the Trust Property or any Relevant Document;

- (o) neither the Security Trustee nor any of its directors or officers shall by reason of the fiduciary position of the Security Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Borrower or any person or body corporate directly or indirectly associated with any of them, or from accepting the trusteeship of any debenture stock, debentures or security of the Borrower or any person or body corporate directly or indirectly associated with any of them and neither the Security Trustee nor any such director or officer shall be accountable to any Beneficiary or any Representative for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Security Trustee and any such director or officer shall also be at liberty to retain the same for its or his own benefit;
- (p) except as herein expressly provided, the Security Trustee is hereby authorised and it shall be entitled to assume without enquiry (in the absence of actual knowledge by or an express notice to it to the contrary) that no Enforcement Event or Potential Enforcement Event has occurred and the Borrower is duly performing and observing all the covenants, conditions, provisions and obligations contained in any Security Document and/or in respect of the Secured Obligations and on its part to be performed and observed. In particular the Security Trustee is under no duty to enquire as to any disposition or dealing affecting a Property (including any arising by operation of law);
- (q) each Beneficiary will be solely responsible for assessing the value of and income deriving from its Designated Security and the Security Trustee will have no responsibility in respect thereof;
- (r) unless otherwise specifically stated in any discharge of this Deed, the provisions of this clause 8 shall continue in full force and effect notwithstanding such discharge;
- (s) where under any Security Document any action, approval, consent or authorisation requires the consent of any party, the Security Trustee will not undertake that action or grant that approval, consent or authorisation without obtaining that consent;
- (t) the Security Trustee shall, when acting as Security Trustee, be regarded as acting through its security trust division which shall be treated as a separate entity from any other of its divisions or departments, such that if information is received by another division or department of the Security Trustee, it may be treated as confidential to that division or department and the Security Trustee shall not be deemed to have notice of it; and
- (u) the Security Trustee shall not be responsible for:
 - (i) the financial condition of the Borrower;
 - (ii) the performance and observance by the Borrower of its obligations under any Relevant Document; or
 - (iii) the collectability of amounts payable under any Relevant Document.

8.4 Indemnities

- (a) Without prejudice to the Borrower's obligations to indemnify the Security Trustee under this Deed, each of the Beneficiaries (other than the Security Trustee, the RBS Facility Agent, the ANTS Facility Agent, the Barclays Facility Agent, the Lloyds Facility Agent, the Nationwide Facility Agent and any other Representative in their capacity as a Representative), subject to the provisions of clauses 8.4(b) and 8.4(c), hereby undertakes severally to indemnify and hold harmless the Security Trustee against:
- (i) all remuneration, costs, charges, losses, claims, damages, liabilities, expenses and other sums (or actions in respect thereof) including VAT thereon suffered or incurred by the Security Trustee (acting reasonably at all times prior to the occurrence of an Enforcement Event) or any person appointed by the Security Trustee to whom any power, trust, authority or discretion may be delegated by it pursuant hereto, in connection with this Deed, the Security Documents and the Ancillary Documents and the powers, trusts, authorities and discretion and duties contemplated therein or actions in respect thereof; and
 - (ii) all remuneration, costs, charges, expenses and other sums (or actions in respect thereof) including VAT thereon suffered or incurred by the Security Trustee (acting reasonably at all times prior to the occurrence of an Enforcement Event) or such person as a result of complying with the provisions hereof or as a result of any Beneficiary challenging the right of the Security Trustee so to comply,

to the extent that (other than in respect of any indemnity to be given by any Beneficiary in order to satisfy the indemnification provisions of clause 6.2 (Default Procedure), clause 8.1, clause 8.3(m) and clause 12.5) the Borrower has failed to comply with its obligations to indemnify and/or secure the Security Trustee as aforesaid, in respect of any remuneration, costs, charges, losses, claims, damages, liabilities, expenses and other sums (or actions in respect thereof) including value added tax suffered or incurred directly by the Security Trustee other than as a result of breach of trust caused by the gross negligence, wilful default or fraud of the Security Trustee. Each amount referred to in this clause 8.4(a) being an **Indemnified Amount**.

- (b) To the extent the Security Trustee determines that any Indemnified Amount has been incurred in relation to any specific Designated Security or the Relevant Liabilities of any Beneficiary, that Relevant Beneficiary alone shall be responsible for the indemnity in relation to that Indemnified Amount under clause 8.4(a).
- (c) To the extent that the Security Trustee determines that any Indemnified Amount does not fall within clause 8.4(b) then each Beneficiary (other than the Security Trustee, the RBS Facility Agent, the ANTS Facility Agent, the Barclays Facility Agent, the Lloyds Facility Agent, the Nationwide Facility Agent and any other Representative in their capacity as a Representative) shall be responsible for an indemnity for such part of the Indemnified Amount as shall represent its Relevant Proportion.

8.5 Officers and agents

No Beneficiary may take proceedings against any officer, employee or agent of the Security Trustee in respect of any claim it might have against the Security Trustee or in respect of any

act or omission of any kind by that officer, employee or agent in relation to any Security Document or Ancillary Document (save in the case of fraud by that officer, employee or agent) and any officer, employee or agent of the Security Trustee may rely on this clause 8.5.

8.6 **No independent enforcement**

The Beneficiaries shall not have an independent power to enforce any Security Document or any Ancillary Document or to exercise any rights, discretions or powers or to grant any consents or releases under or pursuant to any Security Document or any Ancillary Document or otherwise have direct recourse to the security constituted by any Security Document except through the Security Trustee or with the Security Trustee's prior written consent.

8.7 **Assistance**

Each of the Beneficiaries (other than the Security Trustee) hereby covenants and undertakes to the Security Trustee, as follows:

- (a) it will send to the Security Trustee, on request, a list of its duly authorised officers together with specimen signatures of such persons; and
- (b) it will, so far as permitted by applicable law and regulatory requirements, provide the Security Trustee with all such information (including details of the Relevant Liabilities outstanding to it) as the Security Trustee may reasonably require for the purposes of the discharge of the duties, powers, trusts, authorities and discretions vested in the Security Trustee by this Deed, any Relevant Document or by operation of law.

9 Remuneration of the Security Trustee

- 9.1 The Borrower shall (subject as hereinafter provided) pay to the Security Trustee in every year until the trusts hereof shall be finally wound up a fee calculated at such rate as may be agreed from time to time between the Borrower and the Security Trustee and such fee shall be payable on such date or dates in each year as may from time to time be agreed between the Borrower and the Security Trustee.
- 9.2 If the Security Trustee enforces (in accordance with the terms of this Deed or any Security Document) or is required to enforce any of the Security Documents or in the event that the Security Trustee considers it necessary or it is being required to undertake duties which the Security Trustee and the Borrower agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee under this Deed, the Borrower shall pay to the Security Trustee such additional remuneration as may be agreed between them. In the event of the Security Trustee and the Borrower failing to agree upon whether such duties are of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee under this Deed, or failing to agree upon such additional remuneration, such matters shall be determined by an investment bank or person (acting as an expert and not as an arbitrator) selected by the Security Trustee and approved by the Borrower or, failing such approval, nominated (on the application of the Security Trustee) by the President for the time being of The Law Society of England and Wales. The decision of any such investment bank or person shall be final and binding on the Borrower and the Security Trustee and the expenses involved in such nomination and the fees of such investment bank or person shall be paid by the Borrower.
- 9.3 In addition to remuneration hereunder the Borrower shall, on written request, pay all fees, costs, charges and expenses including travelling expenses which the Security Trustee may properly incur in relation to:

- (a) the preparation and execution of this Deed, the Restatement Deed, any Accession Deed, each Security Document or Ancillary Documents;
- (b) responding to, evaluating, negotiating or complying with any request for an amendment, waiver or consent under this Deed, the Restatement Deed, any Accession Deed, any Security Document or any Ancillary Document; and
- (c) the exercise of powers, enforcement or preservation of rights or the performance of its duties and in any other manner (including in connection with proceedings initiated by or against the Security Trustee as a consequence of it taking or holding the Trust Property or enforcing its rights in relating thereto) in relation to or under this Deed, the Restatement Deed, any Accession Deed, any Security Document or any Ancillary Document.

9.4 Without prejudice to any indemnity contained in any Security Document, the Borrower shall indemnify the Security Trustee:

- (a) in respect of all liabilities and expenses incurred by it or by any person (including, without limitation, any receiver, attorney or agent) appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by this Deed, the Restatement Deed, any Accession Deed, any Security Document or under any Ancillary Document; and
- (b) against all liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way in relation to this Deed, the Restatement Deed, any Accession Deed, any of the Security Documents or under any Ancillary Document,

save where the same has arisen from the Security Trustee's gross negligence, wilful default or fraud.

9.5 All sums payable under clauses 9.3 and 9.4 shall be payable within thirty days of written demand therefor. All sums payable by the Borrower under this clause shall carry interest at a rate equal to 2 per cent per annum over the highest interest rate for the time being payable under any of the Relevant Documents (excluding any default rate of interest under the Relevant Documents) from time to time from the earlier to occur of:

- (a) the date falling thirty days after such written demand;
- (b) the date specified in such written demand on which payment will be made by the Security Trustee; or
- (c) the date of such written demand if the Security Trustee specifies in the written demand that payment has already been made by the Security Trustee.

9.6 All payments made by the Borrower under the Security Documents are calculated without regard to VAT. If any payment constitutes the whole or any part of the consideration for a taxable or deemed taxable supply by the Security Trustee, the amount of that payment shall be increased by an amount equal to the amount of VAT which is chargeable in respect of the taxable supply in question.

9.7 Where in any Security Document the Borrower has an obligation to indemnify or reimburse the Security Trustee in respect of any loss or payment, the calculation of the amount payable

by way of indemnity or reimbursement shall take account of the likely Tax treatment in the hands of the Security Trustee of the amount payable by way of indemnity or reimbursement and of the loss or payment in respect of which that amount is payable.

10 Appointment of additional trustees

After consultation with the Borrower (if reasonably practical) and with the prior written consent of the Representative of each Beneficiary (which consent shall not be unreasonably withheld or delayed) the Security Trustee may at any time appoint any person (whether or not a trust corporation) to act either as a separate trustee or as a co trustee jointly with it:

- (a) if it considers such appointment to be in the interests of the Beneficiaries; or
- (b) for the purposes of conforming to any legal requirements, restrictions or conditions which the Security Trustee deems relevant for the purposes hereof, and the Security Trustee shall give notice to the Borrower of any such appointment.

10.2 Any person so appointed shall have such powers, authorities and discretions and such duties and obligations as shall be conferred or, imposed on such person by the instrument of appointment and shall have the same benefits under clauses 8 (Activities of the Security Trustee) and 9 (Remuneration of the Security Trustee) as the Security Trustee.

10.3 The Security Trustee shall have power in like manner with the prior written consent of the Representative of each Beneficiary (which consent shall not be unreasonably withheld or delayed) to remove any person so appointed.

10.4 The Security Trustee may pay to any person so appointed any remuneration which has been previously approved by the Representative of each Beneficiary and the Borrower (such approval not to be unreasonably withheld or delayed) and any such remuneration, costs, charges and expenses incurred by such person in performing its functions pursuant to such appointment shall, for the purposes hereof, be treated as costs, charges and expenses incurred by the Security Trustee in performing its function as trustee hereunder.

11 The Borrower

The Borrower is party to this Deed and the Restatement Deed for the purpose of acknowledging the provisions hereof and the priorities herein recorded and the obligations owed by it to the Security Trustee and undertakes with each Beneficiary and the Security Trustee to observe the provisions of this Deed and the Restatement Deed at all times and not in any way to do or knowingly suffer anything within its control to be done which would be a breach of the terms of its obligations under this Deed or the Restatement Deed.

12 Benefit of agreement and resignation of the Security Trustee

12.1 This Deed shall be binding on and enure for the benefit of each party hereto and its successors in title (whether immediate or derivative) and to any transferees or assigns (whether immediate or derivative) of any Beneficiary in accordance with the terms of any Relevant Document.

12.2 The Security Trustee may retire at any time on giving not less than three months' prior written notice to each Representative of the Beneficiaries and the Borrower without assigning any reason and without being responsible for any costs occasioned by such retirement.

12.3 Each Representative of the Beneficiaries shall have the power by notice in writing signed by the Representatives of Beneficiaries representing in excess of 66.66 per cent in nominal or

principal amount of all outstanding Relevant Liabilities to remove the Security Trustee and appoint a replacement after consultation with the Borrower. With the prior written consent of the Beneficiaries representing in excess of 66.66 per cent in nominal or principal amount of all outstanding Relevant Liabilities, the Borrower shall have the power by notice in writing to the Security Trustee and to each Relevant Beneficiary to remove the Security Trustee and appoint a replacement which has been approved in writing by the Beneficiaries.

- 12.4 The retirement or removal of the Security Trustee shall not become effective until a successor trustee is appointed and shall have become bound by the provisions of these presents whereupon the Security Trustee retiring or being removed shall thereby forthwith be discharged from such provisions. Upon the replacement Security Trustee agreeing in writing that it shall assume the duties and obligations assumed by the Security Trustee in this Deed it shall have all the rights, trusts, powers, authorities, discretions, duties and obligations of and vested in the Security Trustee under this Deed.
- 12.5 Any reasonable costs properly incurred by the Security Trustee in connection with its removal (and the consequent appointment of a successor Security Trustee) will be for the account of the Borrower, unless such removal and appointment have been instigated by the Beneficiaries or their Representatives, in which event the Beneficiaries will bear (and will indemnify the Borrower and the outgoing and new Security Trustee against) all such reasonable and properly incurred costs and expenses relating to the removal of the Security Trustee and appointment of a successor, to be apportioned among the Beneficiaries in accordance with the Relevant Proportion.

13 Notices

- 13.1 Each communication to be made hereunder shall be made in writing and, unless otherwise stated, may be made by fax or letter.
- 13.2 Any communication or document (unless made by fax) to be made or delivered by one party to another pursuant to this Deed shall (unless that other party has by 15 Business Days written notice to the Security Trustee specified another address) be made or delivered to that other party at the address identified with its signature below (or in any Accession Deed) and shall be deemed to have been made or delivered when despatched and (in the case of any communication made by letter) when left at that address or (as the case may be) 5 Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address provided that any communication or document to be made or delivered to the Security Trustee shall be effective only when received by the Security Trustee and then only if the same is expressly marked for the attention of the department and officer as the Security Trustee shall from time to time specify for this purpose.
- 13.3 Any fax communication made by one party to another shall be made to that other party at the relevant fax number specified by it from time to time for the purpose and shall be deemed to have been received when transmission of such fax communication has been completed. Each such fax communication, if made to the Security Trustee by the Borrower, shall be signed by the party or parties authorised by the Borrower, in the certificate delivered to the Security Trustee in connection with this Deed and shall be expressed to be for the attention of the department and officer as the Security Trustee shall from time to time specify for this purpose.
- 13.4 A notice or communication given in accordance with the above but received on a non-Business Day or after business hours in the place of receipt will only be deemed to be given on the next Business Day in that place.

14 Winding up of the trust

If the Security Trustee shall determine that all of the obligations under each of the Relevant Documents have been fully, finally and unconditionally discharged and released, the trusts herein created shall be wound up.

15 Set off and counterclaim

All payments under this Deed shall be made without set-off or counterclaim.

16 Severance

If any provision of any Security Document is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of the Security Documents; or
- (b) the legality, validity or enforceability in any other jurisdiction of that or any other provision of the Security Documents.

17 Waivers; remedies cumulative

The rights of the Beneficiaries under the Security Documents:

- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of rights under the general law; and
- (c) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any such right is not a waiver of that right.

18 Counterparts

This Deed may be executed in counterparts, all of which when taken together shall constitute a single deed.

19 Governing law

This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, the laws of England.

In witness whereof this Deed was executed by the parties hereto as a deed but not delivered until the date first above written.

Schedule 1

Form of Accession Deed for Beneficiaries

This Accession Deed dated [] 2013, is supplemental to a security trust deed originally dated 26 September 2008 as consolidated, amended and restated on [] 2013 and most recently made between, amongst others, Prudential Trustee Company Limited as Security Trustee and EMH Housing and Regeneration Limited as Borrower (**Security Trust Deed**, as the same may from time to time be amended, novated, replaced, restated, supplemented or varied).

Unless otherwise defined herein, words and expressions defined in the Security Trust Deed have the same meaning when used in this Deed.

- 1 [[*Name of the Additional Beneficiary*] (**Additional Beneficiary**), as Lender (as defined in a facility agreement dated [♦] made between the Borrower and [*name of the Additional Beneficiary*] as lender) (**Facility Agreement**)) hereby agrees with each other person who is or who becomes a party to the Security Trust Deed that, with effect from the date on which the provisions of clauses 2.3 (Relevant Liabilities), 2.5 (Relevant Liabilities) and 2.6 (Relevant Liabilities) of the Security Trust Deed have been complied with in respect of this Deed, [*name of the Additional Beneficiary*] will become a party to and be bound by and benefit from the Security Trust Deed and this Deed as the Additional Beneficiary in respect of the Relevant Liabilities owed to it from time to time pursuant to the Relevant Documents below.

- 2 [[*Name of the Representative*] (**Representative**), in its capacity as [Facility Agent] for and on behalf of each of the [Finance Parties] (as defined in the Facility Agreement) (each of the Finance Parties being an Additional Beneficiary (and together Additional Beneficiaries)), hereby agrees with each other person who is or who becomes a party to the Security Trust Deed that, with effect from the date on which the provisions of clauses 2.3 (Relevant Liabilities) 2.5 (Relevant Liabilities) and 2.6 (Relevant Liabilities) of the Security Trust Deed have been complied with in respect of this Deed, [*name of the Representative*] (in its capacity as [Facility Agent] pursuant to the Facility Agreement) will become a party to and be bound by and benefit from the Security Trust Deed and this Deed as the Representative of the above Additional Beneficiaries in respect of the Relevant Liabilities owed from time to time pursuant to the Relevant Documents below.

- 3 The address and fax number for notices to [[*name of the Additional Beneficiary*] (as the above Additional Beneficiary and Representative) or [*name of the Representative*] (as the Representative of the above Additional Beneficiaries) for the purposes of clause 13 (Notices) of the Security Trust Deed is:

Address: [♦]

Fax number: [♦]

or any substitute address or fax number as may be notified to the Security Trustee from time to time pursuant to clause 13 of the Security Trust Deed.

- 4 For the purposes of clause 1.4 of the Security Trust Deed, the first Accession Date shall be [shall be the date of this Deed] or [occurred on []].

- 5 The Relevant Documents in relation to the Relevant Liabilities owed to the above Additional Beneficiari[y][ies] are [the Finance Documents (as defined in the Facility Agreement)].

6 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, the laws of England.

In witness whereof this Deed has been executed by the parties hereto as a deed but not delivered until the date first above written.

EXECUTION PAGE OF THE ACCESSION DEED

The common seal of)
EMH HOUSING AND REGENERATION)
LIMITED)
was affixed to this deed in the presence of

.....
Authorised Signatory

.....
Authorised Signatory

Executed as Deed by affixing the common seal)
of **PRUDENTIAL TRUSTEE COMPANY**)
LIMITED)
in the presence of

.....
Sealing Officer

[Additional Beneficiary]

[The common seal of **[Additional Beneficiary]**
was affixed to this Deed in the presence of]

.....
Authorised Signatory

.....
Authorised Signatory

[OR]

Representative of the above Additional Beneficiaries

[The common seal of **[Representative]** was)
affixed to this Deed in the presence of])

.....
Authorised Signatory

.....
Authorised Signatory

Schedule 2

Documents to be provided by Borrower under clause 3.2 (Conditions precedent)

- 1 To the extent not already provided, a certified copy of a resolution of the Board (or of a duly constituted and authorised sub-committee thereof) of the Borrower (such copy to be certified by an Authorised Signatory as correct, complete, up-to-date and in full force and effect):
- (a) approving the terms of, and the entry into of, this Deed or, as applicable, the relevant Accession Deed and the Legal Mortgage and resolving that it executes each such document;
 - (b) authorising a specified person or persons to execute each such document on its behalf if it is to be executed by a specified person or persons; and
 - (c) authorising its seal to be affixed to each such document if they are to be executed by the Borrower under seal.

If the resolution delivered above is a resolution of a sub-committee of the Board of the Borrower, a certified copy of a resolution of the Board of the Borrower appointing that sub-committee and establishing its authority (such copy to be certified by an Authorised Signatory as correct, complete, up-to-date and in full force and effect).

- 2 The original of the Legal Mortgage (in respect of the Property to be charged) executed by each party to it and a letter of undertaking from the solicitors to the Borrower addressed to, and in a form reasonably acceptable to, the Security Trustee and the Relevant Beneficiary to register such Legal Mortgage at the Land Registry (including applications to enter on the Proprietorship Register at the Land Registry the restriction against dealings on Form RX1 and to enter on the Charges Register the obligation to make further advances on Form CH2), at either the Financial Conduct Authority or, as applicable, Companies House, and at any other appropriate registry and pay any related fees (including Land Registry fees) within the relevant priority periods.

- 3 Either:

- (a) a certified copy of the consent of the Social Housing Regulator under section 172 of the Housing and Regeneration Act for each Legal Mortgage, such consent to be designated in favour of the Security Trustee; or
- (b) where the Social Housing Regulator's General Consent is being relied upon by the Borrower, a certified copy of the letter of authorisation from the Social Housing Regulator authorising the Borrower to use the Social Housing Regulator's General Consent (if not already provided), together with a certificate of an Authorised Signatory certifying, inter alia, that:
 - (i) the Borrower has a letter of authorisation from the Social Housing Regulator authorising it to use the Social Housing Regulator's General Consent and that such letter of authorisation has not been amended, withdrawn or revoked;
 - (ii) the Borrower will not on-lend any of the relevant credit facilities to any person other than in accordance with the provisions of the Relevant Document;
 - (iii) attached to that certificate is a resolution of the Board (or of a duly constituted and authorised sub-committee thereof, or of two or more of the Borrower's officers (as defined in the Housing and Regeneration Act) in accordance with

an appropriate scheme of delegation) of the Borrower approving the form of each such Legal Mortgage and authorising the execution of that Legal Mortgage;

- (iv) the granting of each such Legal Mortgage will not contravene the relevant provisions of the Relevant Document;
- (v) having regard to materiality and proportionality, that each such Legal Mortgage does not confer any benefit on any of the Borrower's officers (as defined in the Housing and Regeneration Act) or employees or on any of their relatives or on any third party in which any such officer, employee and/or relative has an interest; and
- (vi) the Borrower has complied with section 172 of the Housing and Regeneration Act, that category 6 of the Social Housing Regulator's General Consent applies to each such Legal Mortgage, and that the conditions of the Social Housing Regulator's General Consent have been complied with in respect of that Legal Mortgage.

- 4 Where applicable, a certified copy of the consent of the Social Housing Regulator under section 133 of the Housing Act 1988 for the Security Trustee to sell the whole or any part of the Property in certain circumstances.
- 5 Where applicable, a certified copy of the consent of the relevant Secretary of State under section 32 to 34 and 43 of the Housing Act 1985 and section 25 of the Local Government Act 1988.
- 6 Where applicable, a certified copy of the consent of the relevant Secretary of State under section 171(D)(2) of the Housing Act 1985 dated 21 March 2005 in relation to disposals by Registered Providers generally.
- 7 A Certificate of Title addressed to the Security Trustee and, if the Security Trustee requires, the Relevant Beneficiaries (and, in any event, in a form which may be relied on by any Beneficiaries from time to time) from solicitors reasonably acceptable to the Security Trustee on the Property to be charged.
- 8 Where applicable, official priority Land Registry searches affording priority to the Security Trustee for a period of not less than 10 Business Days following the date upon which the relevant Legal Mortgage delivered pursuant to paragraph 2 above is entered into, against each Property or part thereof to be charged, the title to which is, in each case, registered or which is unregistered and in respect of which an application for first registration is to be lodged at the Land Registry with any appropriate transfers (Form TR5) (duly stamped).
- 9 To the extent not already provided, copies of policies, certificates or cover notes relating to each contract or policy of insurance taken out by or on behalf of the Borrower or in which the Borrower has an interest and which relate to the Property to be charged and evidence satisfactory to the Security Trustee that a note of the Security Trustee's interest has been endorsed on each such contract or policy of insurance in accordance with the terms of the Legal Mortgage (where applicable) or that the policy includes a provision for the automatic noting of mortgagees' interests.
- 10 Where applicable, a copy of the form of each Approved Tenancy Agreement (as defined in the Legal Mortgage).

- 11 Where applicable, a certified copy of any relevant planning permission in respect of the Property to be charged.
- 12 Such other documents, reports or opinions (including, without limitation, structural surveys and environmental reports) certificates, consents (including landlord's consents and floating charge holders' consents if applicable), certificates of non-crystallisation of all floating charges in favour of other creditors affecting the Property and assets to be charged, notices (including notices to landlords) or assurances as the Security Trustee or Relevant Beneficiary may reasonably request.

Schedule 3

Form of Security Certificate

To: [Representative] as Representative for itself [and on behalf of [♦] as Beneficiaries] **(Representative)**

Prudential Trustee Company Limited, in its capacity as Security Trustee pursuant to a security trust deed originally dated 26 September 2008 as consolidated, amended and restated on [] 2013 most recently made between amongst others the Security Trustee and EMH Housing and Regeneration Limited as Borrower (**Security Trustee Deed**, as the same may from time to time be amended, novated, replaced, restated, supplemented or varied) hereby certifies the following:

- 1 The Borrower has executed [a] Legal Mortgage[s] in favour of the Security Trustee over the Property listed in the schedule to this Security Certificate and such Property has been designated in favour of [♦] as security for the Relevant Liabilities in relation to [♦] (**Charged Property**).
- 2 Copies of the conditions precedent provided in respect of the Charged Property under clause 3.2 (Conditions Precedent) of the Security Trust Deed, are currently available for inspection at the offices of [solicitors] provided however that the Security Trustee owes no duty of care to the Representative or any Beneficiary in connection with the form or substance of such conditions precedent.
- 3 Where applicable, copies of correspondence between us and the Borrower relating to the Charged Property, and information relating to the Charged Property received by us from the Borrower, since execution of the relevant Legal Mortgage are currently available for inspection at [the offices of [solicitors]] provided however that the Security Trustee will not be held liable for the form or content of such information.

By agreeing that the Charged Property has been designated in favour of [♦] such that the Proceeds thereof have been allocated for application in reduction of the Relevant Liabilities in relation to [♦], the Representative is deemed to have confirmed that such conditions precedent are in a form and substance satisfactory to the Representative.

Terms defined in the Security Trust Deed bear the same meaning in this Security Certificate.

Yours faithfully

.....

Duly authorised signatory
for and on behalf of **Prudential Trustee Company Limited**
as Security Trustee

Schedule to the Security Certificate

The Charged Property

[♦]

Schedule 4

Form of Legal Mortgage

Dated

**EMH HOUSING AND REGENERATION LIMITED
As Borrower**

**PRUDENTIAL TRUSTEE COMPANY LIMITED
As Security Trustee**

LEGAL MORTGAGE

(To: The Chief Land Registrar. Note: This Deed contains (in clause 29) the consent of the Borrower to the lodgement at the Land Registry of an application by or on behalf of the Security Trustee to enter a restriction in the Proprietorship Register and (in clause 29) the consent of the Borrower to the lodgement at the Land Registry of an application by or on behalf of the Security Trustee to enter a notice on the Charges Register.)

ADDLESHAW GODDARD

This Deed is dated and is made on between:

- (1) **EMH Housing and Regeneration Limited** registered as a charitable industrial and provident society under the Industrial and Provident Societies Act 1965 with registered number 32198R and as a Registered Provider with the Social Housing Regulator with registered number [♦] whose registered office is at Memorial House, Stenson Road, Whitwick Business Park, Coalville, Leicester LE67 4JP as borrower (**Borrower**); and
- (2) **Prudential Trustee Company Limited** as trustee of the security constituted under this Deed for itself and the Beneficiaries (as defined below) (**Security Trustee**, which expression shall include each person or company and all other persons or companies acting as security trustee under this Deed).

Whereas:

- (A) Under the terms of the Security Trust Deed (as defined below), the Borrower may grant security pursuant to this Deed to be held for and specifically designated to certain Beneficiaries.
- (B) It is intended by the parties hereto that this document shall take effect as a deed.

Now it is agreed as follows:

1 Interpretation

1.1 Definitions

In this Deed:

Approved Tenancy Agreement means the form of tenancy agreement from time to time permitted by the Relevant Beneficiary under its Relevant Documents or, if no requirements are specified in such Relevant Documents (or the relevant Mortgaged Property is Undesignated Security), in substantially the form of a standard tenancy agreement of the Borrower which complies with the provisions of the Regulatory Framework or any other guidance issued by the Social Housing Regulator and/or (where applicable) the Homes and Communities Agency and/or (where applicable) the Greater London Authority under the Housing and Regeneration Act or, in respect of any tenancy agreement relating to Designated Security which does not so comply, approved by the Relevant Beneficiary (acting reasonably).

Beneficiaries has the meaning given to it in the Security Trust Deed.

Certificate of Title means a certificate of title or a report on title in a form acceptable to the Security Trustee and (where the relevant Property is to become Designated Security) to the proposed Relevant Beneficiary.

Enforcement Event has the meaning given to it in the Security Trust Deed.

Fixtures means, in relation to any Mortgaged Property, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery, equipment, installations and apparatus from time to time thereon owned by the Borrower.

Insurances means all contracts and policies of insurance readily available in the market at a reasonable premium which would reasonably be expected to be taken out by a Registered Provider of similar size and operating in the same locality and which are from time to time

taken out by or with the authority and on behalf of the Borrower or (to the extent of such interest) in which the Borrower has an interest, in each case in connection with the Mortgaged Property.

Letting Document means any past, present or future lease, tenancy or licence to occupy or any past, present or future agreement for any of the same from time to time granted or entered into by or binding on the Borrower in respect of the Mortgaged Property and any licence, consent or approval given thereunder.

Mortgaged Property means the real property hereby legally mortgaged or charged and any other freehold or, as the case may be, leasehold property charged by way of fixed charge under this Deed.

Notice of Assignment means a notice substantially in the form set out in schedule 2 (Notice of Assignment).

Planning Acts means the Town and Country Planning Acts 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004 and any Act or Acts for the time being in force amending or re-enacting the same and any orders, regulations or permissions (which are legally binding on the Borrower or its assets) made, issued or granted under or by virtue of such Acts or any of them.

Potential Enforcement Event has the meaning given to it in the Security Trust Deed.

Premises means all buildings and erections for the time being comprised within the definition of **Security Assets**.

Receiver shall mean a receiver, receiver and manager, administrative receiver, administrator or attorney or other person appointed to carry out the duties of such person who is a qualified person under the terms of the Insolvency Act 1986.

Relevant Documents has the meaning given to such term in the Security Trust Deed.

Reservations means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of the court;
- (b) the limitation on enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws affecting the rights of creditors generally;
- (c) the time barring of claims under the Limitations Acts;
- (d) the possibility that an undertaking to assume liability for, or to indemnify a person against, non-payment of UK stamp duty may be void; and
- (e) defences of set-off or counterclaim.

RPI means the General Index of Retail Prices in the United Kingdom (January 1987 = 100) (for all items) published by the Office for National Statistics (or any other Government department or other body upon which the duties in connection with such index have devolved)

or in the event that such index ceases to be published, such other comparable substituted index as specified by the Security Trustee (acting reasonably).

Secured Obligations has the meaning given to such term in the Security Trust Deed.

Security Assets means all assets, rights and property of the Borrower mortgaged, charged or assigned by clause 3 including, without limitation, the Mortgaged Property.

Security Interest means any mortgage pledge, lien, charge (including, for the avoidance of doubt, a floating charge), security assignment, hypothecation or other security interest or encumbrance of any kind or any other agreement or arrangement having the effect of conferring security or any other type of preferential arrangement (including, without limitation title transfer and retention of title) having a similar effect.

Security Period means the period beginning on the date of this Deed and ending on the date upon which the Security Trustee is satisfied that all the Secured Obligations which have arisen or may arise have been unconditionally and irrevocably paid and discharged in full or the security hereby created has been unconditionally and irrevocably released and discharged.

Security Trust Deed means the security trust deed originally 26 September 2008 as consolidated, amended and restated on [] 2013 and most recently entered into by amongst others the Borrower and the Security Trustee (as the same may be amended, novated, consolidated, merged, replaced, restated, supplemented or varied from time to time).

Shared Ownership Lease means a shared ownership lease as defined in section 106 of the Housing Associations Act.

Shared Ownership Property means any Mortgaged Property occupied or to be occupied pursuant to a Shared Ownership Lease where the Borrower holds, or will hold upon disposal on shared ownership terms by the grant of the Shared Ownership Lease, less than 100 per cent of the beneficial interest in that Mortgaged Property and the purchaser of the balance of that beneficial interest may have the right to acquire a further portion of the Borrower's retained beneficial interest.

Signing Date means 26 September 2008

Taxes includes all present and future taxes, charges, imposts, duties, levies, deductions, withholdings or fees of any kind whatsoever, or any amount payable on account of or as security for any of the foregoing, by whomsoever, on whomsoever and wherever imposed, levied, collected, withheld or assessed, together with any penalties, additions, fines, surcharges or interest relating thereto, and **Tax** and **Taxation** shall be construed accordingly.

1.2 Construction

(a) In this Deed unless the contrary intention appear, a reference to:

(i) **assets** includes present and future properties, revenues and rights of every description;

an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing and registration;

insolvency laws includes any liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws;

a **month** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month except that, if there is no numerically corresponding day in the month in the next calendar month, that period shall end on the last day in that calendar month; and

a **regulation** includes any regulation, rule, official directive, code of practice, request or guideline (whether or not having the force of law but if not having the force of law, being of a kind that is customary for the relevant person (or persons of its status or type carrying on a similar business to comply with) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

- (ii) a clause or a schedule is a reference to a clause of or a schedule to this Deed;
 - (iii) a law is a reference to that law as re-enacted, amended or replaced;
 - (iv) a Relevant Document or another document is a reference to that Relevant Document or other document as amended, novated, replaced, restated supplemented or varied from time to time; and
 - (v) a Beneficiary shall include a reference to the successors, permitted assigns or transferees (whether immediate or derivative) of such Beneficiary.
- (b) Unless the contrary intention appears or as otherwise defined herein, a term used in the Security Trust Deed or in any notice given under, or in connection with, the Security Trust Deed has the same meaning in this Deed as in the Security Trust Deed or notice.
- (c) The index to and the headings in this Deed are for convenience only and are to be ignored in construing this Deed.
- (d) The terms of the documents under which the Secured Obligations arise and of any side letters between the parties hereto in relation thereto are incorporated herein to the extent required for any purported disposition of the Mortgaged Property contained herein to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (e) If the Security Trustee considers that an amount paid to the Security Trustee or any Beneficiary for application in or towards repayment of the Secured Obligations is capable of being avoided or otherwise set aside on the liquidation or administration of the Borrower or otherwise, then such amount shall not be considered to have been irrevocably paid for the purposes hereof.

1.3 Certificates

A certificate of the Security Trustee setting forth the amount of any Secured Obligation due from the Borrower shall be prima facie evidence of such amount against the Borrower in the absence of manifest error.

2 Covenant to pay

2.1 Covenant

The Borrower hereby covenants with the Security Trustee for the benefit of itself and the Beneficiaries that it will pay or discharge the Secured Obligations on the due date therefor in the manner provided in the Relevant Documents. Any amount not paid hereunder when due shall bear interest (as well after as before judgment and payable on demand) at a rate equal to 2 per cent. per annum over the highest interest rate for the time being payable under any of the Relevant Documents from time to time from the due date until the date such amount is unconditionally and irrevocably paid and discharged in full.

2.2 Right of appropriation

Upon and after the occurrence of an Enforcement Event for so long as the same is continuing (unremedied or unwaived and is not remedied within any applicable grace period), the Security Trustee shall be entitled to appropriate monies and/or assets to be applied against the Secured Obligations in accordance with clause 11 and any such appropriation shall override any appropriation by the Borrower.

3 Fixed charges

3.1 The Borrower with full title guarantee, as security for the payment of all Secured Obligations, charges in favour of the Security Trustee for the benefit of itself and the Beneficiaries:

- (a) by way of a first fixed legal mortgage all the property referred to in schedule 1 together with all buildings and Fixtures, erections and structures thereon or in the course of construction thereon, the proceeds of sale of all or any part thereof and (so far as the same are capable of being mortgaged) the benefit of any covenants for title given or entered into by any predecessor in title of the Borrower and any monies paid or payable in respect of such covenants;
- (b) by way of first fixed charge:
 - (i) all plant and machinery (except for the Fixtures within clause 3.1(a) above) now or in the future owned by the Borrower and its interest in any plant and machinery in its possession which form part of or are operated on the Mortgaged Property;
 - (ii) all benefits in respect of the Insurances and all claims and returns of premiums in respect thereof;
 - (iii) the benefit of all present and future licences, consents and authorisations (statutory or otherwise) held in connection with the Security Assets and the use of any of the Security Assets specified in clauses 3.1(a) and 3.1(b)(i) above and the right to recover and receive all compensation which may at any time become payable to it in respect thereof; and
 - (iv) if and in so far as the legal mortgage set forth in clause 3.1(a) above or the assignments set out in clause 3.2 below shall for any reason be ineffective as legal mortgages or assignments, the assets referred to in those clauses.

3.2 Assignments

The Borrower with full title guarantee as security for payment of the Secured Obligations covenants that, on the request of the Security Trustee, it shall following the occurrence of an Enforcement Event which has occurred and is continuing (unremedied or unwaived and is not remedied within any applicable grace period) assign to the Security Trustee for the benefit of itself and the Beneficiaries (to the fullest extent assignable or capable of assignment without first infringing any contracted provision restricting the same) all of its rights, title and interest in and to:

- (a) the personal agreements and covenants (still subsisting and capable of being enforced) by the tenants, lessees, licensees or other parties under the Letting Documents and by all guarantors and all security held by the Borrower from time to time whether present or future, in respect of the obligations of the tenants, lessees, licensees or other parties under the Letting Documents (including, without limiting the generality of the foregoing, all monies due and owing to the Borrower or which may become due and owing to the Borrower at any time in the future in connection therewith and any rent arrears or service charges due at any time from any tenants, lessees, licensees or other parties under the Letting Documents, regardless of whether such amounts became due before or after the date of this Deed);
- (b) all agreements now or from time to time entered into or to be entered into to enable the charging of the Security Assets and for the sale, letting or other disposal or realisation of the whole or any part of the Security Assets (including, without limiting the generality of the foregoing, all monies due and owing to the Borrower or which may become due and owing to the Borrower at any time in the future in connection therewith);
- (c) all agreements, contracts, deeds, licences, undertakings, guarantees, covenants, warranties, representations and other documents (including all documents entered into now or in the future so as to enable the Borrower to perfect its rights under this Deed or any such agreement, contract, deed, licence, undertaking, guarantee, covenant, warranty, representation or other documents) now or hereafter entered into by or given to the Borrower in respect of the Mortgaged Property and all claims, remedies, awards or judgments paid or payable to the Borrower (including, without limitation, all liquidated and ascertained damages payable to the Borrower under the above) in each case relating to the Mortgaged Property;
- (d) all licences held now or in the future in connection with the relevant Mortgaged Property and also the right to recover and receive all compensation which may at any time become payable to the Borrower in relation to the relevant Mortgaged Property;
- (e) all rights and claims to which the Borrower is now or may hereafter become entitled in relation to any development, construction project, redevelopment, refurbishment, repair or improvement of or on the relevant Mortgaged Property;
- (f) all guarantees, warranties, bonds and representations given or made now or hereafter by, and any rights or remedies against, all or any of the designers, builders, contractors, surveyors, valuers, professional advisers, sub-contractors, manufacturers, suppliers and installers of any Fixtures in respect of the relevant Mortgaged Property; and
- (g) all rental income and disposal proceeds in each case relating to the relevant Mortgaged Property which has not been assigned pursuant to clauses 3.2(a), 3.2(b) or 3.2(c) and the right to make demand for and receive the same.

4 Continuing security, etc

4.1 Notices of assignment

Following the occurrence of an Enforcement Event which is continuing unremedied or unwaived the Borrower shall deliver to the Security Trustee (or procure delivery of) a Notice of Assignment duly executed by, or on behalf of, the Borrower in respect of any asset which is the subject of an assignment pursuant to clause 3.2 promptly upon the request of the Security Trustee from time to time and in each case shall use all reasonable endeavours to procure that each such Notice of Assignment is acknowledged by the obligor or debtor specified by the Security Trustee (substantially in the form attached to such Notice of Assignment).

4.2 Continuing security

The security constituted by this Deed shall be continuing and will extend to the ultimate balance of all sums payable by the Borrower under the Relevant Documents, regardless of any intermediate payment or discharge in whole or in part.

4.3 Reinstatement

- (a) Where any discharge (whether in respect of the obligations of the Borrower or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise without limitation, the liability of the Borrower under this Deed shall continue as if the discharge or arrangement had not occurred.
- (b) The Security Trustee may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

4.4 Immediate recourse

Subject to the provisions of the Security Trust Deed, the Borrower waives any right it may have of first requiring the Security Trustee or any Beneficiary to proceed against or enforce any other rights or security or claim payment from any other person before enforcing the security constituted by this Deed.

4.5 Additional security

This Deed is in addition to and is not in any way prejudiced by any other security now or hereafter held by the Security Trustee or any Beneficiary.

5 Representations and warranties

5.1 To whom made

The Borrower makes the representations and warranties set out in clause 5.2 to the Security Trustee and each Beneficiary.

5.2 Matters represented

- (a) **The Mortgaged Property:** Save as disclosed in the Certificate of Title relating to the Mortgaged Property addressed to the Security Trustee (and where, in respect of any Designated Security, any such disclosures have been accepted by the Relevant Beneficiary:

- (i) the Borrower is the legal and beneficial owner of the Mortgaged Property subject to any Rights to Buy or Shared Ownership Property arrangements;
 - (ii) (while the Mortgaged Property has been owned by the Borrower) planning permission has been obtained or is deemed to have been granted in accordance with statute for the purposes of the Planning Acts and has been complied with in respect to any development and the existing use of the Mortgaged Property and the Planning Acts and all relevant building regulations or previously relevant building bylaws have been complied with in respect of all developments, alterations and improvements to the Mortgaged Property (save where such building regulations or bylaws did not apply to the owner or its predecessors (whether immediate or derivative) at the relevant time) and they have also been complied with in respect of the use of the Mortgaged Property;
 - (iii) there are no covenants, agreements, stipulations, reservations, conditions, interest, rights or other matters whatsoever affecting the Mortgaged Property which materially adversely affect or are reasonably likely to materially adversely affect the value of the Mortgaged Property;
 - (iv) (so far as the Borrower is aware, having made all reasonable enquiries) nothing has arisen or has been created or is subsisting which would be an overriding interest over the Mortgaged Property which materially adversely affects or is reasonably likely to materially adversely affect the value of the Mortgaged Property;
 - (v) no facilities necessary for the enjoyment and use of the Mortgaged Property are enjoyed by the Mortgaged Property on terms entitling any person to terminate or curtail its or their use which materially adversely affects or is reasonably likely to materially adversely affect the value of the Mortgaged Property;
 - (vi) the Borrower has received no notice of any adverse claims by any person in respect of the ownership of the Mortgaged Property or any interest therein, nor has any acknowledgment been given to any person in respect thereof; and
 - (vii) the Mortgaged Property will from the date hereof be free from any tenancies or licences other than those permitted under the Relevant Documents or in the form of an Approved Tenancy Agreement.
- (b) **Security:** Subject to the Reservations and registration at the Land Registry and the Financial Conduct Authority, this Deed creates those Security Interests it purports to create ranking as set out above and is not liable to be avoided or otherwise set aside on the liquidation or administration of the Borrower or otherwise.

5.3 Times for making representations and warranties

The representations and warranties set out in this clause 5 are made on the date of this Deed and are deemed to be repeated on the same date the representations and warranties are repeated under each Relevant Document.

6 Undertakings

6.1 Duration and with whom made

The undertakings in this clause 6:

- (a) shall remain in force throughout the Security Period; and
- (b) are given by the Borrower to the Security Trustee and each Beneficiary.

6.2 Maintenance of Property

The Borrower will:

- (a) **Repair:** keep the Premises in good and tenantable repair and condition and adequately and properly painted and decorated (or, as applicable, procure the same) and keep the Fixtures and all plant, machinery, implements and other effects for the time being owned by it and which are in or upon the Premises or elsewhere in a good state of repair and in good working order and condition (save for fair wear and tear) except where the Premises are subject to a development, construction, refurbishment, major repair or improvement scheme until the same is completed;
- (b) **Insurance:** maintain insurance cover in relation to its activities and assets relating to the Mortgaged Property against such risks and in such amounts as is usual for prudent Registered Providers carrying on activities of the type and scale which are carried on by the Borrower and promptly, on request from the Security Trustee, provide the Security Trustee with copies of all policies and contracts of insurance which relate to the Mortgaged Property or income deriving therefrom together with evidence that those policies and contracts are in full force and effect and comply with the requirements of the Security Documents;
- (c) **Noting of interest:** procure that a note of the Security Trustee's interest (in a manner satisfactory to the Security Trustee) is endorsed upon all policies of insurance relating to the Mortgaged Property (except where the relevant policy or policies are effected in the joint names of the Borrower and the Lender (and, as appropriate, any third party) or the relevant policy or policies provide for the automatic noting of a mortgagee's interest and the Borrower has provided evidence of this satisfactory to the Security Trustee) which shall at any time during the subsistence of this security be effected, maintained or held by the Borrower and use its reasonable endeavours to procure that the relevant policy or policies contain provisions that such policy or policies will not be terminated or otherwise allowed to lapse unless 14 days' prior notice is given to the Security Trustee;
- (d) **Maintenance of Insurances:** not do or knowingly permit anything to be done in or upon or relating to the Mortgaged Property or any part thereof which may make void or voidable any Insurance in connection therewith;
- (e) **Premiums:** promptly pay all premiums and do all other things necessary to keep all of the Insurances in force and, promptly on reasonable demand by the Security Trustee, produce to the Security Trustee the policy, certificate or cover note relating to each Insurance (as requested by the Security Trustee) and of the receipt for the payment of each such premium;

- (f) **Compliance with leases:** pay (if it is the lessee) the rents reserved by and (in any event) perform and observe all the covenants, agreements and stipulations on the part of the Borrower contained in any lease or leases comprised within the Mortgaged Property and not to do or knowingly suffer to be done any act or thing whereby such lease or leases may become liable to forfeiture or otherwise be determined, provided that if a notice pursuant to section 146 of the Law of Property Act 1925 is served on the Borrower the Borrower shall promptly inform the Security Trustee;
- (g) **Taxes and outgoings:** (save to the extent that payment of the same is being contested in good faith) pay as and when the same shall become payable all Taxes, rates, duties, charges, assessments and outgoings whatsoever (whether parliamentary, parochial, local or of any other description) which shall be assessed, charged or imposed upon or payable in respect of the Mortgaged Property or any part thereof (but not in respect of the occupier thereof where the Borrower is not the occupier);
- (h) **User:** use the Mortgaged Property only for such purpose or purposes as may for the time being be authorised as the permitted use or user thereof under or by virtue of the Planning Acts and not without the prior written consent of the Security Trustee, make any application for planning permission which could reasonably be expected to have an adverse effect on the value of any Mortgaged Property or implement any planning permission so obtained;
- (i) **Notices:** within 7 days after the receipt by the Borrower of any application, requirement, order or notice served or given by any public or local or any other authority in relation to the Mortgaged Property or any part thereof where the cost of compliance with that application, requirement, order or notice when aggregated with others outstanding at that time is in excess of £100,000 (as increased by RPI from the date of this Deed), give written notice thereof to the Security Trustee and also (within 7 days after demand) produce the same or a copy thereof to the Security Trustee and inform it of the steps taken or proposed to be taken to comply with any such requirement thereby made or implicit therein;
- (j) **Statutes:** duly and punctually perform and observe all its obligations in connection with the Security Assets under any present or future statute or any regulation, order or notice made or given thereunder;
- (k) **Development:** not carry out, or permit to be carried out, on any part of the Mortgaged Property except with the previous consent in writing of the Security Trustee any development (within the meaning of that expression in the Planning Acts and being development for which the permission of the local planning authority is required) other than any development approved or contemplated under the Relevant Document (if any);
- (l) **Leases:**
- (i) not without the previous consent in writing of the Security Trustee grant or agree to grant (whether in exercise or independently of any statutory power) any lease or tenancy of the Mortgaged Property or any part thereof or accept a surrender of any lease or tenancy or confer upon any person any contractual licence or right to occupy the Mortgaged Property other than an Approved Tenancy Agreement (or on terms which confer no fewer rights on the Borrower as the lessor or licensor and impose no obligations on the Borrower additional to those set out in an Approved Tenancy Agreement) and

provided, on request by the Security Trustee following the occurrence of an Enforcement Event which is continuing, it notifies the Security Trustee of all leases, tenancies, licences or rights to occupy granted or surrendered by it and if so reasonably requested by the Security Trustee provided it sends a copy thereof to the Security Trustee forthwith upon request;

- (ii) (in accordance with its enforcement and arrears policies as a Registered Provider (which shall be in a form that is in compliance with the Regulatory Framework or other guidance of the Social Housing Regulator)) enforce and not waive or release the covenants, conditions, agreements and obligations contained in or imposed by any of the Letting Documents or any guarantee in respect of the obligations of the tenants, lessees, licensees or other parties thereunder which materially adversely affects or is reasonably likely to materially adversely affect the value of the Mortgaged Property;
 - (iii) not without the prior written consent of the Security Trustee accept or agree to accept the surrender or alteration of any of the Letting Documents which materially adversely affects or is reasonably likely to materially adversely affect the value of the Mortgaged Property and observe and perform all the covenants, conditions, agreements and obligations on its part in all respects (to the extent non-compliance materially adversely affects or is likely to materially adversely affect the value of the Mortgaged Property or the ability of the Borrower to perform its obligations under the Relevant Document); and
 - (iv) at any time after an Enforcement Event has occurred and is continuing after the expiry of any applicable grace period during which the Enforcement Event has not been remedied and upon the request of the Security Trustee, issue irrevocable instructions to the other parties to any Letting Document to pay rents and sums due under any Letting Document to the Security Trustee or into such accounts as the Security Trustee may require.
- (m) **Deposit of title deeds:** subject to the Relevant Documents, deposit with the Security Trustee all deeds and documents of title relating to the Security Assets (and it is hereby agreed that the Security Trustee shall be entitled to hold the same during the Security Period) except to the extent that any such Security Assets are released by the Security Trustee pursuant to the terms of the Relevant Documents;
- (n) **Access:** duly and punctually perform and observe all covenants and stipulations (restrictive or otherwise) affecting all or any part of the Mortgaged Property and indemnify the Security Trustee and each Beneficiary in respect of any breach thereof, provide the Security Trustee with such information as it may reasonably require regarding the Borrower's compliance with this Deed, and permit (so far as it is lawful and subject to the relevant tenant's rights) the Security Trustee and any person nominated by it at all reasonable times (provided that reasonable notice has been given by the Security Trustee to the Borrower) to enter upon the Mortgaged Property and view the state of the same;
- (o) **Investigation of title:** after the occurrence of an Enforcement Event which is continuing and which is not remedied within any applicable grace period or an event which the Security Trustee reasonably believes (having first made full and proper enquiries with the Borrower) is a Potential Enforcement Event which is continuing, grant the Security Trustee or its lawyers on request all such facilities within the power of the Borrower to enable such lawyers to carry out investigations of title to the Mortgaged Property and other property which is or may be subject to this security and

enquiries into matters in connection therewith as may be carried out by a prudent mortgagee. Such investigations and enquiries shall be at the expense of the Borrower;

- (p) **Report on title:** after the occurrence of an Enforcement Event which is continuing and which is not remedied within any applicable grace period or an event which the Security Trustee reasonably believes (having first made full and proper enquiries with the Borrower) is a Potential Enforcement Event which is continuing and only to the extent that no investigation of title has been conducted pursuant to paragraph 6.2(o) above, forthwith on demand by the Security Trustee provide the Security Trustee with a solicitor's report in a form acceptable to the Security Trustee as to the title of the Borrower to the Mortgaged Property and other property which is or may be subject to this security and related matters concerning the items which a prudent mortgagee would properly require in a solicitor's report of this nature; and
- (q) **Authorisations:** if so requested by the Security Trustee, obtain any material authorisation or material licence required in order to enable the Security Trustee pursuant to the powers of enforcement conferred on it by the Security Documents to sell vacant Mortgaged Property and comply with any local land charges, covenants (leasehold or otherwise) or restrictive covenants relating to such Mortgaged Property which are binding on it,

provided that nothing in this clause 6.2 shall require or oblige the Borrower to do or procure to be done anything which is inconsistent with, or contrary to, the terms of any lease or leases under which the Borrower holds any part or parts of the Mortgaged Property.

6.3 Negative pledge and disposals

- (a) The Borrower shall not create or permit to subsist any Security Interest on any of the Security Assets or any income derived therefrom save as permitted under the terms of the Relevant Documents.
- (b) The Borrower shall not sell, transfer, grant or lease or otherwise dispose of all or any part of the Security Assets or any income derived therefrom save as permitted under the Security Trust Deed or the Relevant Documents.

7 Power to remedy

In case of default by the Borrower in repairing or keeping in repair or insuring the Mortgaged Property or any part thereof or in observing or performing any of the covenants or stipulations affecting the same, the Borrower will permit the Security Trustee or its agents and contractors to enter on the Mortgaged Property and to comply with or object to any notice served on the Borrower in respect of the Mortgaged Property and to effect such repairs or insurance or generally do such things or pay all such costs, charges and expenses as the Security Trustee may reasonably consider necessary or desirable to prevent or remedy any breach of covenant or stipulation or to comply with or object to any notice. The Borrower will indemnify and keep the Security Trustee indemnified against all losses, costs, charges and expenses reasonably incurred in connection with the exercise of the powers contained in this clause 7.

8 When security becomes enforceable

The security hereby conferred shall become immediately enforceable and the power of sale and other powers conferred by section 101 of the Law of Property Act 1925 as varied or amended by this Deed shall be immediately exercisable upon and after an Enforcement

Event has occurred and is continuing (and has not been remedied within any applicable grace period). After the security constituted hereby has become enforceable, the Security Trustee may enforce all or any part of such security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of such security subject to the terms of the Relevant Documents.

9 Enforcement of security

For the purposes of all powers implied by statute the Secured Obligations shall be deemed to have become due and payable on the date hereof and section 93 of the Law of Property Act 1925 (restricting the right of consolidation) and section 103 of the Law of Property Act 1925 (restricting the power of sale) shall not apply to this security. The statutory powers of leasing conferred on the Security Trustee shall be extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee shall think fit and without the need to comply with any of the provisions of sections 99 and 100 of that Act.

10 Receiver

10.1 Appointment of a Receiver

- (a) At any time after this security becomes enforceable or if the Borrower so requests the Security Trustee in writing at any time, the Security Trustee may without further notice appoint under seal or in writing under its hand any one or more qualified persons to be a Receiver of all or any part of the Security Assets in like manner in every respect as if the Security Trustee had become entitled under the Law of Property Act 1925 to exercise the power of sale thereby conferred.
- (b) In this clause 10, **qualified person** means a person who, under the Insolvency Act 1986, is qualified to act as a Receiver of the property of any company with respect to which he is appointed.

10.2 Powers of a Receiver

Every Receiver appointed in accordance with clause 10.1 shall have and be entitled to exercise all of the powers set out below. The powers referred to above are (in each case to the extent permitted by law):

- (a) **Take possession:** to take immediate possession of, get in and collect the Security Assets or any part thereof;
- (b) **Protection of assets:** to make and effect all repairs and Insurances and do all other acts which the Borrower might do in the ordinary conduct of its business as well for the protection as for the improvement of the Security Assets and to commence and/or complete any building operations on the Mortgaged Property and to apply for and maintain any planning permissions, building regulation approvals and any other permissions, consents or licences, in each case as he may in his absolute discretion think fit;
- (c) **Borrow money:** for the purpose of exercising any of the powers, authorities and discretions conferred on him by or pursuant to this Deed and/or of defraying any costs, charges, losses or expenses (including his remuneration) which shall be incurred by him in the exercise thereof or for any other purpose, to raise and borrow money either unsecured or on the security of the Security Assets or any part thereof

either in priority to the security constituted by this Deed or otherwise and generally on such terms and conditions as he may think fit and no person lending such money shall be concerned to enquire as to the propriety or purpose of the exercise of such power or to see to the application of any money so raised or borrowed;

- (d) **Sell assets:** to sell, exchange, convert into money and realise all or any part of the Security Assets by public auction or private contract and generally in such manner and on such terms as he shall think proper. Without prejudice to the generality of the foregoing he may do any of these things for a consideration consisting of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as he may think fit. Fixtures, other than landlords fixtures, may be severed and sold separately from the property containing them without the consent of the Borrower;
- (e) **Leases:** to let all or any part of the Security Assets for such term and at such rent (with or without a premium) as he may think proper and to accept a surrender of any lease or tenancy thereof on such terms as he may think fit (including the payment of money to a lessee or tenant on a surrender);
- (f) **Compromise:** to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Borrower in relation to the Security Assets or any part thereof;
- (g) **Legal actions:** to bring, prosecute, enforce, defend and abandon all such actions, suits and proceedings in relation to the Security Assets or any part thereof as may seem to him to be expedient;
- (h) **Receipts:** to give valid receipts for all monies and execute all assurances and things which may be proper or desirable for realising the Security Assets;
- (i) **Insolvency Act 1986 and Law of Property Act 1925:**
- (i) all the powers (as varied and extended by the provisions hereof) conferred by the Insolvency Act 1986 on mortgagees in possession, Administrators, Receivers and Administrative Receivers (as defined therein); and
- (ii) to do all such other acts and things as any Receiver may consider desirable or necessary for realising the Security Assets or any part thereof or incidental or conducive to any of the matters, powers or authorities conferred on a Receiver under or by virtue of this Deed and to exercise in relation to the Security Assets or any part thereof all such powers, authorities and things as he would be capable of exercising if he were the absolute beneficial owner of the same and to use the name of the Borrower for all or any of such purposes;
- (j) **Building work:** power to demolish, alter, improve, develop, complete, construct, modify or refurbish the whole or any part of the Mortgaged Property and the Fixtures thereon and to complete or undertake or concur in the completion or undertaking of any approved development (with or without modification) and any other project in which the Borrower was concerned or interested in prior to his appointment being a project for the demolition, alteration, improvement, development, completion, construction, modification, rebuilding or reinstatement, refurbishment or repair of the

Mortgaged Property (or any part thereof) and the Fixtures and in particular (without prejudice to the generality of the foregoing) to carry out and complete such approved development;

- (k) **Repairs:** to undertake, effect or complete any work of repair, maintenance, modification, redecoration, improvement, fitting out and furnishing of the Mortgaged Property or any part thereof;
- (l) **Planning and environment:** power to apply for and obtain any planning permissions, building regulation approvals, environmental permits and any other permissions, consents or licences in relation to the Security Assets or any part thereof;
- (m) **Services:** to provide all services (including, without limitation, heating, lighting and cleansing) which may be deemed expedient in relation to the occupation or management of the Mortgaged Property;
- (n) **Contracts:** to enter into, perform, repudiate, rescind, vary, modify, assign, sub-let or novate any contract or agreement, option agreement, agreement for lease, building contract or professional appointment or otherwise for or which relates in any way to the Security Assets and to appoint, hire and employ and remunerate such contractors, advisers, professionals, agents, servants, attendants, managers, officers, workmen and others upon such terms and at such salaries, fees or remuneration and generally in such manner as he shall think fit and to discharge such persons;
- (o) **Acquire additional property:** to acquire any interest in any real or personal property which he may consider necessary or desirable to acquire in order to maintain or enhance the value of the Security Assets or any part thereof and to grant or surrender, easements, covenants and licences and to make exchanges and to enter into any agreements for the revision of boundaries; and
- (p) **General powers:** to do all such other acts and things as he may consider necessary or desirable for realising the Security Assets or any part thereof or incidental or conducive to any of the matters, powers or authorities conferred on a Receiver under or by virtue of this Deed, to exercise in relation to the Security Assets or any part thereof all such powers, authorities and things as he would be capable of exercising if he were the absolute beneficial owner of the same and to use the name of the Borrower for all or any of such purposes.

10.3 Removal and remuneration

The Security Trustee may from time to time by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it may deem it expedient, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated and may from time to time fix the remuneration of any Receiver appointed by it. The Security Trustee will consider any request from the Borrower to remove a Receiver provided the Borrower can show, to the reasonable satisfaction of the Security Trustee, that failure to remove such Receiver would be prejudicial to the proper realisation or disposal of the Borrower's assets or that the specific Receiver in carrying out his appointment hereunder (and not, for the avoidance of doubt, the actual appointment of any Receiver), is prejudicing the Borrower's registration with the Social Housing Regulator.

10.4 Security Trustee may exercise

To the fullest extent permitted by law, all or any of the powers, authorities and discretions which are conferred by this Deed (either expressly or impliedly) upon a Receiver of the Security Assets may be exercised after the security hereby created becomes enforceable by the Security Trustee in relation to the whole of such Security Assets or any part thereof without first appointing a Receiver of such property or any part thereof or notwithstanding the appointment of a Receiver of such property or any part thereof.

11 Application of proceeds

Any monies received by the Security Trustee or by any Receiver appointed by it pursuant to this Deed and/or under the powers hereby conferred shall, after the security hereby constituted shall have become enforceable but subject to the payment of any claims having priority to this security and to the Security Trustee's and such Receiver's rights under clause 10 be applied by the Security Trustee in accordance with clause 7 (Application of Proceeds) of the Security Trust Deed.

12 No liability as mortgagee in possession

The Security Trustee shall not nor shall any Receiver appointed as aforesaid by reason of it or the Receiver entering into possession of the Security Assets or any part thereof be liable to account as mortgagee in possession or be liable for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable. Every Receiver duly appointed by the Security Trustee under the powers in that behalf herein contained shall be deemed to be the agent of the Borrower for all purposes and shall as such agent for all purposes be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Law of Property Act 1925. The Borrower alone shall be responsible for his contracts, engagements, acts, omissions, defaults and losses and for liabilities incurred by him and neither the Security Trustee nor any Beneficiary shall incur any liability therefor (either to the Borrower or to any other person whatsoever) by reason of the Security Trustee's making his appointment as such Receiver or for any other reason whatsoever. Every such Receiver and the Security Trustee shall be entitled to all the rights, powers, privileges and immunities by such Act conferred on mortgagees and receivers when such receivers have been duly appointed under such Act but so that section 103 of that Act shall not apply.

13 Protection of third parties

No purchaser, mortgagee or other person or company dealing with the Security Trustee or the Receiver or its or his agents shall be concerned to enquire whether the Secured Obligations have become payable or whether any power which the Receiver is purporting to exercise has become exercisable or whether any money remains due under the Relevant Documents or to see to the application of any money paid to the Security Trustee or to such Receiver.

14 Expenses

All costs, charges and expenses properly incurred and all payments made by the Security Trustee or any Receiver appointed hereunder in the lawful exercise of the powers hereby conferred whether or not occasioned by any act, neglect or default of the Borrower shall carry interest (as well after as before judgment) at a rate equal to 2 per cent. per annum over the highest interest rate for the time being payable under any of the Relevant Documents from the date of the same being incurred or becoming payable by the Borrower until the date the same are unconditionally and irrevocably paid and discharged in full. The amount of all such costs, charges, expenses and payments and all such interest thereon and all remuneration payable hereunder shall be payable by the Borrower on demand in accordance with the Security Trust Deed.

15 Indemnity

The Security Trustee and the Relevant Beneficiaries and every Receiver, attorney, manager, agent or other person appointed by the Security Trustee hereunder shall be entitled to be indemnified out of the Security Assets in respect of all liabilities and expenses properly incurred by them in the execution or purported execution of any of the powers, authorities or discretions vested in them pursuant hereto and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Security Assets and the Security Trustee, the Relevant Beneficiaries and any Receiver may retain and pay all sums in respect of the same out of any monies received under the powers hereby conferred.

16 Delegation by the Security Trustee and Receiver

The Security Trustee may at any time and from time to time delegate by power of attorney or in any other manner to any person or persons all or any of the powers, authorities and discretions which are for the time being exercisable by the Security Trustee or any Receiver under this Deed in relation to the Security Assets or any part thereof. Any such delegation may be made upon such terms and subject to such regulations as the Security Trustee or any Receiver may think fit. Neither the Security Trustee nor any Receiver shall be in any way liable or responsible to the Borrower for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate (provided it acted properly in the appointment of the same).

17 Further assurances**17.1 Statutory covenant**

The obligations of the Borrower set out in clause 17.2 shall be in addition to and not in substitution for the covenants for further assurance deemed to be included herein by virtue of section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994.

17.2 General

The Borrower shall at its own expense execute and do all such assurances, acts and things as the Security Trustee may require for perfecting or protecting the security intended to be created hereby over the Security Assets or any part thereof or for facilitating the realisation of the Security Assets or any part thereof and in the exercise of all powers, authorities and discretions vested in the Security Trustee or any Receiver of the Security Assets or any part thereof or in any such delegate or sub-delegate as aforesaid. To that intent, the Borrower shall in particular execute all transfers, conveyances, assignments (whether legal or equitable) and assurances of such property whether to the Security Trustee or to its nominees and give all notices, orders and directions and make all registrations which the Security Trustee may reasonably think necessary and obtain all necessary consents to procure the registration of this Deed at the Land Registry.

17.3 Legal charge

Without prejudice to the generality of clauses 17.1 and 17.2, the Borrower will forthwith at the request of the Security Trustee execute a legal mortgage, charge or assignment over all or any of the Security Assets subject to or intended to be subject to any fixed security hereby created in favour of the Security Trustee (as trustee as aforesaid) in such form as the Security Trustee may reasonably require.

17.4 **Consents**

The Borrower shall use all reasonable endeavours to obtain (in form and content satisfactory to the Security Trustee (acting reasonably)) as soon as possible any consents necessary to enable the assets of the Borrower purported to be so charged or assigned to be the subject of an effective fixed charge or assignment pursuant to clause 3 and, immediately upon obtaining any such consent, the asset concerned shall become subject to such security and the Borrower shall promptly deliver a copy of each consent to the Security Trustee.

17.5 **Implied covenants for title**

The obligations of the Borrower under this Deed shall be in addition to the covenants for title deemed to be included in this Deed by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994.

18 **Redemption of prior mortgages**

The Security Trustee may, at any time after the security hereby constituted has become enforceable, redeem any prior Security Interest against the Security Assets or any part thereof or procure the transfer thereof to themselves and may 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 Borrower save for manifest error. All principal monies, interest, costs, charges and expenses of and incidental to such redemption and transfer shall be paid by the Borrower to the Security Trustee on demand.

19 **Power of attorney**

19.1 **Appointment**

The Borrower hereby by way of security and in order more fully to secure the performance of its obligations hereunder irrevocably appoints the Security Trustee and every Receiver of the Security Assets or any part thereof appointed hereunder and every such delegate or sub-delegate as aforesaid to be its attorney acting severally, and on its behalf and in its name or otherwise (at any time after the occurrence of an Enforcement Event which is continuing) to execute and do all such assurances, acts and things which the Borrower ought to do under the covenants and provisions contained in this Deed (including, without limitation, to make any demand upon or to give any notice or receipt to any person owing monies to the Borrower and to execute and deliver any charges, legal mortgages, assignments or other security and any transfers of securities) and generally in its name and on its behalf to exercise all or any of the powers, authorities and discretions conferred by or pursuant to this Deed or by statute on the Security Trustee or any such Receiver, delegate or sub delegate and (without prejudice to the generality of the foregoing) to seal and deliver and otherwise perfect any deed, assurance, agreement, instrument or act which it or he may reasonably deem proper in or for the purpose of exercising any of such powers, authorities and discretions.

19.2 **Ratification**

The Borrower hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in clause 19.1 shall do or purport to do in good faith in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in such.

20 New accounts

If the Security Trustee or any Beneficiary receives or is deemed to be affected by notice whether actual or constructive of any subsequent charge or other interest affecting any part of the Security Assets and/or the proceeds of sale thereof, the Security Trustee or such Beneficiary may open a new account or accounts with the Borrower. If the Security Trustee or such Beneficiary (as the case may be) 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 and as from that time all payments made to the Security Trustee or such Beneficiary shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount for which this Deed is security.

21 Stamp duties

The Borrower shall pay and, forthwith on demand, indemnify the Security Trustee and each Beneficiary against any liability it incurs in respect of any stamp, registration and similar Tax which is or becomes payable in connection with the entry into, performance or enforcement of this Deed.

22 Perfection of security

The Borrower shall be bound by and hereby irrevocably authorises the Security Trustee to execute on its behalf any document required to perfect the security granted to the Beneficiaries pursuant to the Relevant Documents.

23 Waivers, remedies cumulative

- (a) The rights of the Security Trustee and each Beneficiary under this Deed:
- (i) may be exercised as often as necessary;
 - (ii) are cumulative and not exclusive of its rights under general law; and
 - (iii) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any such right is not a waiver of that right.

- (b) The Security Trustee may waive any breach by the Borrower of any of the Borrower's obligations under the Relevant Documents.

24 Set-off

The Security Trustee and each Beneficiary may (to the extent that the same is beneficially owned by it) set-off any matured obligation due from the Borrower under the Relevant Documents against any matured obligation owed by the Security Trustee or such Beneficiary (as the case may be) to the Borrower, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Trustee or such Beneficiary (as the case may be) may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set off.

25 Time deposits

Without prejudice to clause 24, if any time deposit matures on any account the Borrower has with the Security Trustee or any Relevant Beneficiary at a time within the Security Period when:

- (a) this security has become enforceable; and
- (b) no amount of the Secured Obligations is due and payable,

such time deposit shall automatically be renewed for such further maturity as the Security Trustee or such Beneficiary in its absolute discretion considers appropriate unless the Security Trustee or such Beneficiary (as the case may be) otherwise agrees in writing.

26 Severability

If a provision of this Deed is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this Deed; or
- (b) the legality, validity or enforceability in any other jurisdiction of that or any other provision of this Deed.

27 Counterparts

This Deed may be executed in any number of counterparts and this will have the same effect as if the signatures on the counterparts were on a single copy of this Deed.

28 Notices

28.1 Giving of notices

All notices under, or in connection with, this Deed shall be given in writing or by fax. Any such notice is deemed to be given as follows:

- (a) if in writing when delivered (delivery shall be deemed to be immediate if by hand or 2 Business Days after posting if sent by first class post); or
- (b) if by fax when received (provided that all of it is legible).

However, a notice given in accordance with the above but received on a non Business Day or after business hours in the place of receipt is deemed to be given on the next Business Day in that place.

28.2 Addresses for notices

The address and fax number of the Borrower and the Security Trustee for all notices under, or in connection with, this Deed are:

- (a) in the case of the Borrower:
 - EMH Housing and Regeneration Limited
 - Memorial House
 - Stenson Road
 - Whitwick Business Park
 - Coalville
 - Leicestershire
 - LE67 4JP

Attention: Executive Director- Finance

(b) in the case of the Security Trustee:

Prudential Trustee Company Limited
 Laurence Pountney Hill
 London
 EC4R 0HH

Fax: 020 7548 3883
 Attention: Corporate Trust Manager

or, in each case, such other details as one may notify the other in writing by not less than 7 days' notice.

29 Provisions as to security

29.1 Land registration

The Borrower hereby consents to the lodgement at the Land Registry of an application by or on behalf of the Security Trustee for the entry of the following restriction in the Proprietorship Register of any property which is, or is required to be, registered forming part of the Mortgaged 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 [the date of this Deed] in favour of Prudential Trustee Company Limited referred to in the charges register or their conveyancer or an individual identified as an authorised signatory."

29.2 Further advances

- (a) Subject to the terms of the Relevant Documents, certain Beneficiaries are under an obligation to make further advances to the Borrower in accordance with the terms of their respective Relevant Documents.
- (b) For the purposes of section 94(1)(c) of the Law of Property Act 1925, section 49(3) of the Land Registration Act 2002 and Rule 108 of the Land Registration Rules 2003, the obligation on the relevant Beneficiaries to make further advances will be deemed to be incorporated in this Deed as if the same were set out in this Deed.
- (c) For the purposes of the Land Registration Rules 2003 and section 49(3) of the Land Registration Act 2002, the Borrower hereby consents to the lodgement at the Land Registry of an application by or on behalf of the Security Trustee for the entry of a note of the obligation to make further advances on the Charges Register of any registered land forming part of the Mortgaged Property.

29.3 Certification

The Borrower hereby certifies that the security created by this Deed does not contravene any of the provisions of the [Industrial and Provident Societies Acts 1965-2003 or the rules] of the Borrower.

29.4 Implied terms

The covenants set out in sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to clause 3. It shall be implied in respect of clause 3 that the Borrower is disposing of the Security Assets free from all charges and encumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

30 Further representation and warranty

The Borrower hereby warrants that the Mortgaged Property comprises the same properties as have been valued for the benefit of the Relevant Beneficiaries, copies of which valuation have been provided to the Relevant Beneficiaries.

31 Release

Upon the expiry of the Security Period, the Security Trustee shall, at the request and reasonable cost of the Borrower, take whatever action is necessary to release and to reassign to the Borrower the Security Assets from the security constituted by this Deed.

33 Governing law

This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, the laws of England.

34 Charity

The Mortgaged Property is held by (or in trust for) the Borrower, an exempt charity.

In witness whereof this Deed has been duly executed as a deed but not delivered until the date first above written.

Schedule 1
Mortgaged Property

Schedule 2

Notice of Assignment

To: []

Dated: []

Notice of assignment

We hereby give notice that by a legal mortgage dated [] made between EMH Housing and Regeneration Limited as borrower (**Borrower**) (1) and Prudential Trustee Company Limited as security trustee (**Security Trustee**) (2) (**Charge**), the Borrower assigned to the Security Trustee as Security Trustee for and on behalf itself and the Beneficiaries (as defined in the Charge) from time to time all its rights, title and interest in [describe assigned assets] (**Assigned Assets**) as security for the payment of all Secured Obligations (as defined in the Charge).

By signing and returning to the Security Trustee the additional copy of this notice please acknowledge notice of the Charge and confirm and agree that:

- 1 you have not received notice of any previous assignment, charge, lien or other security interest of or affecting the Assigned Assets;
- 2 all monies due or to become due from you to the Borrower under the Assigned Assets shall be paid to the Borrower's account with [] (account number: []; sort code: []) or to such other account as the Security Trustee may notify you in writing and without set-off or counterclaim save as provided in the Assigned Assets; and
- 3 you will not without prior written consent of the Security Trustee determine or amend the Assigned Assets.

Until the Security Trustee shall serve written notice to the contrary, the Borrower shall be entitled, subject to the provisions of this notice, to exercise its rights under the Assigned Assets.

Yours faithfully

.....
 Duly authorised signatory
 for and on behalf of
EMH Housing and Regeneration Limited
 as Borrower

To: **Prudential Trustee Company Limited**
(in its capacity as Security Trustee for the Beneficiaries);

and

To: [♦]

Acknowledgement

We hereby confirm and agree to the terms set out above.

.....
Duly authorised signatory
for and on behalf of
[]

Dated:

EXECUTION PAGE OF THE LEGAL MORTGAGE

The common seal of **EMH Housing and**)
Regeneration Limited)
was affixed to this Deed in the presence of

.....
Authorised Signatory

.....
Authorised Signatory

Security Trustee

Executed as a Deed by affixing the Common)
Seal of **Prudential Trustee Company Limited**)
in the presence of

.....
Sealing Officer

SCHEDULE 5

WARRANTY SPLIT NOTICE

To:

EMH Housing and Regeneration Limited (**Borrower**); and

The Royal Bank of Scotland plc (as RBS Facility Agent for and on behalf of the RBS Loan Agreement Finance Parties)

cc: Prudential Trustee Company Limited (**Security Trustee**)

Date: []

Dear Sirs

The security trust deed originally 26 September 2008 as consolidated, amended and restated on [] 2013 and most recently entered into by amongst others the Borrower and the Security Trustee (as the same may be amended, novated, consolidated, merged, replaced, restated, supplemented or varied from time to time) ("Security Trust Deed")

We refer to the Security Trust Deed. Terms not defined in this notice shall have the meaning given to them in the Security Trust Deed.

This is Warranty Split Notice for the purposes of the Security Trust Deed.

We refer to clause 7.8 of the Security Trust Deed and confirm as follows:

- (i) The Nationwide Actual Repayment Date is: [];
- (ii) The Nationwide Loan Agreement Principal Liabilities are now: £[]; and
- (iii) In accordance with clause 7.8 of the Security Trust Deed, the Nationwide Split with effect from the Nationwide Actual Repayment Date is now []/98.

This notice, and any non-contractual obligations arising out of or in connection with it, shall be construed and governed in accordance with English law.

Yours faithfully

.....
For and on behalf of Nationwide Building Society
in its capacity as Nationwide Facility Agent