



dated

2011

Prudential Trustee Company Limited

(as Security Trustee)

AmicusHorizon Limited

(as Chargor)

and

Credit Suisse International

(as Initial Beneficiary)

Security Trust Deed

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Security Trust Deed

dated 2011

Parties

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

AmicusHorizon Limited a charitable Registered Provider registered with the Regulator with registration number L4536 and as industrial and provident society with registration number 30786R whose registered office is at Grosvenor House, 125 High Street, Croydon, CRO 9XP (the **Chargor**); and

Credit Suisse International in its capacity as hedging counterparty under the CSI Hedging Documentation (the **Initial Beneficiary**).

Introduction

- (A) Pursuant to the CSI Hedging Documentation the Initial Beneficiary and the Chargor may enter into hedging transactions and the liabilities of the Chargor to the Initial Beneficiary may from time to time be secured on certain of the Security Assets.
- (B) The Chargor may enter into further financing or hedging arrangements and grant further security creating, evidencing or granting security for the obligations of the Chargor under any Relevant Documents entered into in the future with Additional Beneficiaries and it is intended that this Deed should govern the rights of priority and enforcement in relation to the security for such arrangements.
- (C) It is intended by the parties to this document that it will take effect as a deed despite the fact that a party may only execute this document under hand or otherwise fails to fulfil the requisite formalities for execution as a deed.

Agreed terms

1 Definitions and Interpretation

1.1 In this Deed:

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

Accession Memorandum means each memorandum to be entered into pursuant to the provisions of clause 3 (Additional Beneficiaries) and which is substantially in the form set out in schedule 3 (Form of Accession Memorandum);

Additional Beneficiary means any person which becomes a Beneficiary pursuant to the provisions of clause 3 (Additional Beneficiaries);

Additional Liabilities means all monies, liabilities and obligations whatsoever (present or future, actual or contingent) now or hereafter due, owing, or incurred by the Chargor in any manner whatsoever (whether as principal or surety or incurred solely or jointly) to any Additional Beneficiary under any Relevant Document;

Affected Beneficiary means, at any time:

- (a) any Beneficiary which, acting reasonably, anticipates that it may incur a Shortfall Amount and which has notified the Security Trustee in accordance with the provisions of clause 7.3 of clause 7 (Default Procedure); and
- (b) any Beneficiary to which a Shortfall Amount is owed;

Affected Portion means, in relation to any Affected Beneficiary, such part of the Unallocated Properties as may be agreed in writing during the Calculation Period between the Chargor and that Affected Beneficiary, each acting reasonably, and notified thereafter to the Security Trustee to be sufficient to cover all anticipated Shortfall Amounts and any actual Shortfall Amounts in relation to that Affected Beneficiary;

Allocated Properties means in relation to any Beneficiary (the **Relevant Beneficiary**), any Security Assets which have been allocated as security for the Relevant Liabilities owed to that Relevant Beneficiary in accordance with clause 2 (Relevant Liabilities) and which are set out in the Allocated Properties Schedule for such Relevant Beneficiary;

Allocated Properties Schedule means, in relation to each Relevant Beneficiary, the schedule referred to in clause 5.2, which sets out the Security Assets which are allocated to that Beneficiary for its Relevant Liabilities as amended from time to time in accordance with clause 5.3 and which is substantially in the form set out in Part B (Allocated Properties Schedule) of Schedule 1 (Conditions Precedent);

Ancillary Documents means all valuations, stock condition survey reports, other survey reports, reports on title, certificates of title, duty of care letters, legal or other opinions, collateral warranties and other reports held or obtained by the Security Trustee and/or any Beneficiary in respect of the Security Assets;

Beneficiaries means, save as mentioned in clause 3.8 (Cessation of liability), each of the Security Trustee, the Initial Beneficiaries and each Additional Beneficiary and their respective successors and permitted assigns and transferees from time to time (whether immediate or derivative) and **Beneficiary** means any one of them;

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

Calculation Period means the period from the date on which a Default Notice is received by the Security Trustee in accordance with the terms of clause 7 (Default Procedure) until the date which is the earlier of:

- (a) the date on which the Security Trustee has received from each Beneficiary either (i) if such Beneficiary is an Affected Beneficiary, notification of the details of the Affected Portion of that Affected Beneficiary, or (ii) if such Beneficiary is not an Affected Beneficiary confirmation that it expects all relevant Liabilities to be discharged in full following distribution of proceeds from the enforcement of the relevant Allocated Properties; and

- (b) the date which is sixty days after the date on which a Default Notice is received by the Security Trustee in accordance with the terms of clause 7 (Default Procedure);

Certificate of Title means a certificate of title substantially in the form set out in Schedule 4 (Certificate of Title);

Charged Property means each Property which is mortgaged or charged as security for the Secured Obligations pursuant to any Security Document;

Credit Support Annex means a Credit Support Annex in a form published by the International Swaps and Derivatives Association, Inc. and annexed to the schedule to an ISDA Master Agreement;

CSI Hedging Documentation means:

- (a) an ISDA Master Agreement, Schedule thereto and a Credit Support Annex each dated as of 15 July 2009 as amended and restated, between TradeRisks Limited (on behalf of the Chargor) and the Initial Beneficiary.
- (b) an amendment agreement dated 17 October 2011 between TradeRisks Limited (on behalf of the Chargor) and the Initial Beneficiary relating to the ISDA Schedule referred to in (a) above; and
- (c) a Client Agreement dated 14 October 2011 between the Chargor and TradeRisks Limited;

Default Notice has the meaning given to it in clause 7.1;

Enforcement Date means the date upon which the Security Trustee exercises any rights of enforcement under any of the Security Documents;

Enforcement Event means any of the events, howsoever described, specified in any Relevant Document as an event upon the occurrence of which any Beneficiary or any group of Beneficiaries (or any Representative thereof) becomes entitled:

- (a) to call for early repayment (or repayment following default) of all or any of the sums owing to such Beneficiary under any of the Relevant Documents; and/or
- (b) to call for payment under all or any contingent obligations (and/or for cash collateral in respect of all or any of the contingent obligations) due, owing or incurred to such Beneficiary under any of the Relevant Documents (but excluding any entitlement to call for delivery of cash under any Credit Support Annex in relation to any hedging transaction governed by an ISDA Master Agreement); and/or
- (c) to terminate (by reason of a default or event of default howsoever described) all or any of the transactions entered into pursuant to such Relevant Document (which shall not include any hedging arrangement contemplated under any Relevant Document where such termination

occurs other than through the default of the Chargor or any equivalent arrangement entered into by a Beneficiary to which the Chargor is not a party) prior to the scheduled maturity thereof;

Fixed Charge means a fixed charge incorporating, inter alia, a charge by way of first legal mortgage with such amendments as the Security Trustee may reasonably require between the Chargor and the Security Trustee in or substantially in the form of Schedule 5 (Form of Fixed Charge);

Hedging Counterparty means the Initial Beneficiary and any Additional Beneficiary which is a counterparty under any Hedging Documents;

Hedging Documents means any ISDA Master Agreement and Credit Support Annex between the Chargor (whether contracting on its own behalf or through an agent and including, for the avoidance of doubt, the CSI Hedging Documentation) and a Hedging Counterparty, any Confirmation in respect of any Transaction entered into pursuant to such ISDA Master Agreement and any document amending, varying, novating or supplementing any of them (and the terms Confirmation and Transaction, as used in this definition, shall have the meanings ascribed to them under the relevant ISDA definitions applicable to the relevant ISDA Master Agreement);

Hedging Liabilities means any Relevant Liabilities arising under any Hedging Documents;

Housing Act means the Housing Act 1996;

Housing and Regeneration Act means the Housing and Regeneration Act 2008;

Initial Liabilities means all Relevant Liabilities of the Chargor to the Initial Beneficiary;

ISDA Master Agreement means any master agreement in a form published by the International Swaps and Derivative Association, Inc. together with the schedule thereto;

Liabilities mean the Initial Liabilities and the Additional Liabilities (if any);

Loan Agreement means any loan agreement entered into by the Chargor and one or more Beneficiaries and designated a **Loan Agreement** in the relevant Accession Memorandum;

Outstandings means, in relation to any Loan Agreement, the principal amount which is (or, as the case may be, was immediately prior to any Enforcement Event) outstanding from the Chargor to any Beneficiary and, in relation to any Hedging Counterparty, its Exposure (as that term is defined in the relevant Credit Support Annex, but before any deduction to take account of the value of available property security) as most recently determined under the relevant Credit Support Annex or, following an Enforcement Event, as determined at the date of such Enforcement Event;

Potential Enforcement Event means an event which, with the giving of notice, the passage of time, the determination of materiality or the fulfilment of any other applicable condition (or any combination of the foregoing) would become or 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 by the terms of the Relevant Documents or by applicable law to pay to any other person before distributing any such receipts or recoveries to any of the Beneficiaries;

Properties means all estates and interests of the Chargor in any freehold or leasehold property wherever situate now 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 all references to Property shall be taken to include references to the whole or any part or parts of any property of the Chargor at any time and **Property** shall be construed accordingly;

Registered Provider means a non-profit registered provider of social housing registered pursuant to the Housing and Regeneration Act;

Regulator means the Tenant Services Authority (also known as the Office for Tenants and Social Landlords) constituted pursuant to the Housing and Regeneration Act or any other body carrying on substantially the same regulatory and/or supervisory functions in relation to social housing;

Related Rights means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that asset; and
- (d) any moneys and proceeds paid or payable in respect of that asset;

Relevant Beneficiary in relation to any Allocated Properties or an Affected Portion means the Beneficiary or group of Beneficiaries to whom those Allocated Properties have been allocated as security for the Relevant Liabilities owed to it;

Relevant Document means:

- (a) in relation to the Initial Beneficiary, the CSI Hedging Documentation and any Security Documents and Ancillary Documents in respect of its Allocated Properties; and
- (b) in relation to each Additional Beneficiary, each agreement or other instrument between the Chargor and such Additional Beneficiary designated as a Relevant Document in any Accession Memorandum executed by that Additional Beneficiary or its Representative and any Security Documents and Ancillary Documents in respect of its Allocated Properties;

Relevant Liabilities means, in relation to each Beneficiary, all monies, liabilities and obligations whatsoever (present or future actual or contingent whether sole or joint) payable, owing, due or incurred by the Chargor to that Beneficiary under any Relevant Document;

Relevant Proportion means, at any time in respect of each Beneficiary, $\frac{A}{B}$ where:

- (a) A is the total Outstandings in respect of the Relevant Beneficiary; and
- (b) B is the total Outstandings in respect of all Beneficiaries;

at the relevant time;

Representative means in relation to any Relevant Documents under which facilities or financial accommodation (including, for the avoidance of doubt, any derivative transactions) are provided to the Chargor by more than one Beneficiary, the Representative named in the relevant Accession Memorandum and in relation to a Relevant Document under which facilities or financial accommodation (including, for the avoidance of doubt, any derivative transactions) are provided by a single Beneficiary, that Beneficiary;

Right to Buy means the right of a tenant of any Property to buy or acquire such Property (including, without limitation, by means of a Shared Ownership Lease where the terms of any such lease are imposed by statute or comply with the guidelines of the Regulator or have been approved by the Security Trustee including, in particular, any mortgagee protection provisions proposed to be inserted in any such lease) under Section 180 of the Housing and Regeneration Act, Section 16 of the Housing Act 1996 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 in respect of such a sale under Sections 35(i)(a) or 35(i)(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 landlord of the Property is obliged to comply or under any contract conferring such a right;

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;

Secured Obligations means the aggregate of:

- (a) the Relevant Liabilities to each and all of the Beneficiaries;
- (a) all indemnification and reimbursement obligations of the Chargor under any of the Relevant Documents; and
- (a) all other amounts payable by the Chargor to the Security Trustee, any nominee, delegate or agent thereof or any receiver under or in connection with any of the Relevant Documents;

Security Assets means all assets, rights and property of the Chargor mortgaged and/or charged and/or assigned pursuant to any Security Documents and the Rights;

Security Certificate means a certificate issued by the Security Trustee to a Representative for itself as Representative and on behalf of each Relevant Beneficiary substantially in the form set out in Schedule 2 (Form of Security Certificate);

Security Documents means:

- (a) each Fixed Charge;
- (b) this Deed; and
- (c) any other document specified as such (i) in relation to any Unallocated Properties, by the Chargor and the Security Trustee or (ii) in relation to any Allocated Properties by the Chargor, the Security Trustee and the relevant Representative; and
- (d) any other document supplementing or amending any document referred to in (a) – (c) above;

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;

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 Chargor 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 Chargor's retained beneficial interest;

Shared Ownership Sale means, the disposal of all or any part of any residential unit by the Chargor (or the retained interest of the Chargor in any residential unit) which, immediately before the disposal was a Shared Ownership Property;

Shortfall Amount means, in relation to any Beneficiary, the amount of any shortfall in discharging in full such Beneficiary's Relevant Liabilities following a distribution of proceeds from the enforcement of the Allocated Properties made in relation to that Beneficiary by the Security Trustee pursuant to clause 7 (Application of Proceeds);

this Deed means this Deed and includes each Accession Memorandum and any other 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;

Trustee Costs means all remuneration, costs, charges, expenses, indemnities and liabilities (including any incurred by the Security Trustee or by any receiver or any other person appointed by it or to whom any trust, power, authority or discretion is delegated by it) for which the Chargor is liable under any Accession Memorandum, any Ancillary Document or any Security Document;

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

TSA means the Tenant Services Authority;

Unallocated Properties means, at any time, any Security Assets which have not been allocated as Allocated Properties for any Relevant Liabilities at such time and shall include any Rights and Proceeds derived from such Security Assets; and

Unit means, at any time, a Property or part thereof in relation to which there is, or when let, there would be, a separate rental contract entered into with the Chargor and **Units** means all such Properties or parts thereof.

1.2 Interpretation

In this Deed references to:

- 1.2.1 any **Beneficiary**, the **Chargor**, any **Hedging Counterparty**, any **Lender**, or the **Security Trustee** or any of them where the context admits include a reference to their respective successors, assigns and/or transferees;
- 1.2.2 persons include bodies corporate, unincorporated associations and partnerships in each case whether or not having a separate legal personality;
- 1.2.3 words importing one gender will be treated as importing any gender, words importing individuals will be treated as importing corporations and vice versa, words importing the singular will be treated as importing the plural and vice versa and words importing the whole will be treated as including a reference to any part, except where the context specifically requires otherwise;
- 1.2.4 a provision of this Deed, or any other document are references to it as amended, restated, supplemented or novated from time to time;
- 1.2.5 the words 'include' or 'including' (or any similar term) are not to be construed as implying any limitation and general words introduced by the word 'other' (or any similar term) will not be given a restrictive meaning by reason of the fact that they are preceded or followed by words indicating a particular class of acts, matters or things; and
- 1.2.6 statutory provisions, enactments or directives includes references to any amendment, modification, extension, consolidation, replacement or re-enactment of any such provision, enactment or directive, whether before or after the date of this Deed.

1.3 Additional Parties

Any provisions in this Deed relating to Additional Beneficiaries or Additional Liabilities will 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 or Additional Liabilities.

1.4 Representatives

- 1.4.1 Subject to the Security Trustee having received express notice to the contrary, the Security Trustee will not concern itself whether any Representative is entitled (under the terms of any Relevant Documents) to give any requests or instructions.
- 1.4.2 If any Representative in issuing any request or instruction breaches any rights or restrictions set out in any Relevant Document this will not invalidate the request or instruction 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 request or instruction was 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 will not be affected but the Security Trustee will take no further action in accordance with such request or instruction, except to the extent that it has become legally obliged to do so.
- 1.4.3 Only the relevant Representative will, subject to and 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 and no other Beneficiary nor the Chargor will have any rights to do so or otherwise to request the Security Trustee to take any action or proceedings under or in relation to any Relevant Document.
- 1.4.4 In relation to each separate pool of Allocated Properties attributed to a Beneficiary's Relevant Liabilities pursuant to the relevant Allocated Properties Schedule, the Security Trustee shall act in accordance with the requests and instructions of the Representative of that Relevant Beneficiary. For the avoidance of doubt, the Representative of that Relevant Beneficiary shall only issue instructions to, and make requests of, the Security Trustee in relation to the Allocated Properties attributed to those Relevant Liabilities.
- 1.4.5 In relation to the Unallocated Properties (if any) at any time before an Enforcement Event has been confirmed to the Security Trustee by any Representative, the Security Trustee shall act in accordance with the requests and instructions of the Chargor who shall issue instructions to and make requests of the Security Trustee only in relation to the Security Assets which constitute the Unallocated Properties.
- 1.4.6 In relation to the Affected Portion of each Affected Beneficiary in the Unallocated Properties at any time after an Enforcement Event which is continuing (as confirmed to the Security Trustee by the Representative of such Affected Beneficiary) and after the expiry of the Calculation Period, the Security Trustee shall act in accordance with the requests and instructions of the Representative of that Affected Beneficiary in relation to such Unallocated Properties.
- 1.4.7 In relation to the part of the Unallocated Properties (if any) which is not an Affected Portion at any time after an Enforcement Event which is continuing (as confirmed to the Security Trustee by the Representatives of the relevant Beneficiaries) and after the expiry of the Calculation Period, the

Representatives of all the Affected Beneficiaries, acting together, shall be authorised to issue instructions and make requests of the Security Trustee in relation to such Unallocated Properties;

1.4.8 In relation to the part of the Unallocated Properties (if any) which is not an Affected Portion and after confirmation to the Security Trustee by the Representative of each Beneficiary that the Chargor has ceased to have any actual or contingent liabilities to any Beneficiary in respect of such Beneficiaries' Relevant Liabilities, the Security Trustee shall act in accordance with sub-clause 4.4.6 and of clause 4 (The Security).

1.4.9 Reference to exercise of any right by a Representative will include reference to such exercise by that Representative either on its own account or on behalf of or on the instruction of any persons for which it acts as Representative.

1.5 **Avoidance of payments**

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 Chargor or otherwise, then such amount will not be considered to have been irrevocably paid for the purposes of the Security Documents.

1.6 **Certificates**

A certificate of the Security Trustee setting forth the amount of any Secured Obligations payable, owing, due or incurred will be prima facie evidence of the amount against the Chargor 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 Chargor, 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.

1.7 **Incorporation**

Clauses 5, 8 and 9 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.

1.8 **Third party rights**

A person who is not a party to this Deed (other than a Beneficiary) has no right under the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce any term of this Deed.

1.9 **Continuing event**

In this Deed, unless the contrary intention appears, a reference to 'continuing' in relation to an Enforcement Event or other event or occurrence, will be construed as a reference to an Enforcement Event or other event or occurrence (as applicable) which has occurred which has not been remedied or waived in accordance with the terms of this Deed or of the Relevant Document (as applicable).

2 **Relevant Liabilities**

All the money and liabilities now or hereafter due, owing, or incurred by the Chargor in any manner whatsoever (whether actual or contingent, alone or jointly and whether as principal or surety) in respect of:

2.1.1 the Initial Liabilities; and

2.1.2 subject to clause 3, the Additional Liabilities,

will be Relevant Liabilities.

3 **Additional Beneficiaries**

3.1 **Notification**

If the Chargor wishes any person to become a Beneficiary under this Deed the Chargor will notify the Security Trustee that such person is to become a Beneficiary hereunder. A new lender which becomes a lender pursuant to the provisions of any Loan Agreement shall not be required to execute an Accession Memorandum but shall become a Beneficiary automatically provided that the Representative appointed to act in relation to that Loan Agreement has executed an Accession Memorandum on behalf of all the lenders.

3.2 **Role of Additional Beneficiary**

An Additional Beneficiary may be a lender to the Chargor (including, without limitation, by way of a syndicated loan or loan stock, bond note or other debt issue howsoever described), a hedging counterparty, any other provider of financial facilities to the Chargor or an agent or trustee acting on behalf of any such person.

3.3 **Representatives**

Where a loan facility or other financial accommodation is provided under a Relevant Document by more than one party each of the Relevant Beneficiaries shall act through a Representative. For the avoidance of doubt, where facilities or financial accommodation are provided by a single Beneficiary, that Beneficiary shall act as a Representative for itself.

3.4 **Action by Representatives**

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 to include a group of Beneficiaries represented by a single Representative. No person may become a Beneficiary unless that person or its Representative has entered into an Accession Memorandum and Relevant Documents recording the terms of the Relevant Liabilities.

3.5 **Accession**

On or before the relevant Accession Date the Chargor and the proposed Additional Beneficiary (or its Representative) will deliver to the Security Trustee:

- 3.5.1 an Accession Memorandum executed by the Chargor and countersigned by each proposed Additional Beneficiary (or its Representative);
- 3.5.2 a copy of the Relevant Documents evidencing or regulating the Relevant Liabilities executed by the Chargor and the proposed Additional Beneficiary (or its Representative);
- 3.5.3 any Security Documents and Ancillary Documents which may be required under the Relevant Documents; and
- 3.5.4 if Security Assets are to be allocated to the Additional Beneficiary on the Accession Date, an Allocated Properties Schedule prepared in accordance with the provisions of sub-clauses 5.1 to 5.4 of clause 5 (Allocation and De-Allocation of Security Assets), incorporating details of the properties and any other Security Assets to be allocated as security for the Relevant Liabilities owed to the Additional Beneficiary.

3.6 **Notice**

Upon receipt by the Security Trustee of a duly completed Accession Memorandum, the Security Trustee will execute the Accession Memorandum and issue a security certificate to the Representative of the Additional Beneficiary and the Chargor will give notice thereof to the existing Beneficiaries, each Additional Beneficiary and the Chargor.

3.7 **Effect**

Each Beneficiary irrevocably instructs the Security Trustee to execute on its behalf each Accession Deed delivered to the Security Trustee under clause 3.5 or otherwise under this Deed. Any Accession Memorandum delivered pursuant to clause 3.5 will take effect upon execution by the Security Trustee unless a later date has been agreed by the Chargor, the Additional Beneficiary and the Security Trustee.

3.8 **Cessation of liability**

If the Chargor has irrevocably repaid all liabilities to any Beneficiary in respect of any Relevant Liabilities and such Beneficiary is not under a commitment and does not intend to make any further facility or financial accommodation (including transactions entered into pursuant to the Hedging Documents) available to the Chargor under the Relevant Documents, the relevant Representative and the Chargor shall notify the Security Trustee to that effect and such Beneficiary shall cease to be a Beneficiary under this Deed. In the

event that any Security Assets were Allocated Properties in respect of anyone who has ceased to be a Beneficiary hereunder, such Properties shall be designated as Unallocated Properties until an amended Allocated Properties Schedule is delivered pursuant to clause 5.

3.9 Nature of Beneficiaries Liabilities

No Beneficiary shall have any liability for the obligations of any other Beneficiary, the obligations of the Beneficiaries under this Deed shall be and shall be deemed to be several and independent and not joint and no Beneficiary shall be bound by any amendments or other changes to terms of this Deed unless it has agreed to be bound by them.

4 The Security

4.1 Original security

It is understood and agreed that the security initially to be held by, or to the order of, the Security Trustee upon the trusts contained in this Deed will comprise the benefit of:

- 4.1.1 the Security Interests and related Rights arising in favour of the Security Trustee under the first Fixed Charge executed by the Chargor;
- 4.1.2 all notices of assignment or charge given pursuant to any of the Security Documents; and
- 4.1.3 all acknowledgements given in respect of such notices.

4.2 Additional security

The Security Trustee may from time to time accept as security for the Secured Obligations the benefit of any Security Interests, rights or obligations as may from time to time be offered to it as security for the Secured Obligations.

4.3 Trust for Beneficiaries

The Security Trustee will hold the Trust Property on trust for the Beneficiaries on the terms and subject to the conditions contained in this Deed.

4.4 Release of security

- 4.4.1 No instructions shall be required under any sub-clause of this clause 4.4 for the release of any Security Interest affecting a Property sold pursuant to the Right to Buy or a Shared Ownership Sale.
- 4.4.2 At any time prior to the Security Trustee taking any steps to enforce any Rights over any Allocated Property, upon receiving instructions from the relevant Representative to do so, the Security Trustee will release the benefit of any Security Interest, right or obligation held by it over any of the Allocated Properties allocated in respect of the Relevant Documents in relation to which that Representative has been appointed.

- 4.4.3 At any time prior to the occurrence of an Enforcement Event having been confirmed to the Security Trustee by any Representative, upon receiving a request from the Chargor, the Security Trustee shall release the benefit of any encumbrance, rights or obligations held by it over the Unallocated Properties except on the written instructions of the Representatives of all Beneficiaries acting together.
- 4.4.4 At any time after an Enforcement Event (as confirmed to the Security Trustee by any Representative) the Security Trustee shall not release the benefit of any encumbrance, rights or obligations held by it over the Unallocated Properties except on the written instructions of the Representatives of all Beneficiaries acting together.
- 4.4.5 At any time after the occurrence of an Enforcement Event (as confirmed to the Security Trustee by any Representative) and after the expiry of the Calculation Period, upon receiving instructions from the Representative of the relevant Affected Beneficiary, the Security Trustee shall release the benefit of any encumbrance, rights or obligations held by it over any Properties which do not constitute the Affected Portion of that Affected Beneficiary in the Unallocated Properties.
- 4.4.6 At any time after the occurrence of an Enforcement Event (as confirmed to the Security Trustee by any Representative) and after the expiry of the Calculation Period, upon receiving instructions from the Representatives of all the Affected Beneficiaries, acting together, the Security Trustee shall release the benefit of any encumbrance, rights or obligations held by it in relation to the part of the Unallocated Properties which is not an Affected Portion.
- 4.4.7 If, pursuant to sub-clause 4.4.1 to 4.4.6, the Security Trustee is instructed or bound to release the benefit of any Security Interest, right or obligation held by it, then the Security Trustee will, without any recourse or warranty, release the benefit of such Security Interest, right or obligation and, in the case of any Security Interest created by assignment, reassign any property, asset or right thereby assigned and still held by the Security Trustee.
- 4.4.8 The Security Trustee will be entitled to rely on any representation, warranty and approval given by any Representative in any instruction delivered to it or agreement made with it pursuant to sub-clause 4.4.2 to 4.4.6 without further enquiry and when releasing the benefit of any Security Interest, right or obligation and/or, as the case may be, reassigning any property, asset or right pursuant to clause 4.3 the Security Trustee will not be required to 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.

4.5 Information

Each Representative shall provide the Security Trustee, on request, accurate and up-to-date information as to the Relevant Liabilities and Secured Obligations due, owing, or incurred (actually or contingently) to the relevant Beneficiaries 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 the Security Trustee will be entitled to rely on any such certificate and will have no duty to enquire as to the accuracy thereof.

4.6 **Security register**

The Chargor will at all times maintain a separate register of all the Security Assets mortgaged, charged or assigned pursuant to the Security Documents (the **Security Register**). The Chargor shall also maintain a separate register for the Allocated Properties in respect of each Beneficiary or group of Beneficiaries and of any Unallocated Properties. The Chargor will promptly make an entry in the Security Register in respect of:

- 4.6.1 each asset charged by the Chargor 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 Allocated Properties;
- 4.6.2 each release of Security Assets from the Security Documents;
- 4.6.3 any disposition or dealing affecting any Security Asset including (without limitation) any disposition by operation of law but excluding any letting on a tenancy agreement approved under a Relevant Document;
- 4.6.4 any de-allocation of Property comprised in the Allocated Properties of a Beneficiary to the Unallocated Property;
- 4.6.5 any re-allocation of Property from the Allocated Properties of a Relevant Beneficiary to the Allocated Properties of another Relevant Beneficiary; and
- 4.6.6 each allocation of Property comprised in the Unallocated Properties to the Allocated Properties of a Relevant Beneficiary.

4.7 **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 and upon reasonable notice during business hours at the registered office of the Chargor from time to time. The security register in respect of Undesignated Security will be open to inspection on like terms by the Security Trustee.

4.8 **Reconciliation**

No later than 31 March, 30 June, 30 September and 31 December in every calendar year commencing from the date of this Deed (each a **Reporting Date**) the Chargor shall notify the Security Trustee of any changes to the Security Register since the last Reporting Date so as to enable the Security Trustee to reconcile its records.

4.9 **Protection of Allocated Properties**

In relation to any Security Assets relating to the Allocated Properties which have been allocated to the Relevant Beneficiary:

- 4.9.1 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 Allocated Properties 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 Chargor) (for the avoidance of doubt, such Representative shall promptly instruct the Security Trustee to release any

Allocated Properties where such release is permitted pursuant to the Relevant Beneficiary's Relevant Documents and shall promptly send a copy to the Chargor of any such instructions to the Security Trustee) or otherwise save as may be required by law;

4.9.2 each Representative and the Chargor severally undertakes that it will not without the written consent of the Representative of the Relevant Beneficiary:

(a) purport to designate any of the Allocated Properties for such Relevant Beneficiary as security for any monies, liabilities or obligations whatsoever (actual or contingent) payable, owing, due or incurred by the Chargor to any person other than the Relevant Beneficiary; or

(b) 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 Allocated Properties; and

4.9.3 the Security Trustee shall be entitled to (and it is the intention that it shall) rely on any Allocated 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 4 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 Unallocated Properties pursuant to this clause 4 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 Unallocated Properties.

4.10 **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 Chargor. 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 Chargor as soon as reasonably practicable, and in any event the Chargor 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.

5 **Allocation and De-Allocation of Security Assets**

5.1 **Charged Properties Documents**

5.1.1 On each occasion, after the date of signing of this Deed, on which the Chargor is to enter into any Security Document, the Chargor shall have previously delivered to the Security Trustee (in form and substance satisfactory to the relevant Representative (who shall confirm its satisfaction to the Security

Trustee) and the Security Trustee (in its absolute discretion)) all the documents as set out in Schedule 1 Part A (Charged Properties Documents) in relation to the relevant Charged Properties together with any other documents required under the Relevant Document. The Security Trustee shall owe no duty of care to any Beneficiary in connection with the form or substance of any such document.

- 5.1.2 Each Beneficiary will be deemed to have inspected each Security Certificate delivered to its Representative and each document which is referred to in each such Security Certificate whether or not it does so.

5.2 Allocation of Charged Properties

On:

- 5.2.1 each date on which the Security Trustee is notified that any person has ceased to be a Beneficiary;
- 5.2.2 each date on which a Fixed Charge is delivered to the Security Trustee;
- 5.2.3 each date on which Properties are to become Allocated Properties or cease to be Allocated Properties; and
- 5.2.4 any other date requested by the Chargor;

each Relevant Beneficiary (or its Representative) and the Chargor shall attribute in relation to the Relevant Beneficiary in respect of its Relevant Liabilities, specific Charged Properties, (having regard to all the circumstances relating to such Charged Properties including, inter alia, consideration of the Certificate of Title (if any) relating to such Charged Property and the results of any other investigations or due diligence carried out with respect to such Charged Properties) and shall schedule and approve by their signature of the relevant Allocated Properties Schedule, such allocation (or as the case may be, de-allocation) of Charged Properties among the Beneficiaries.

5.3 Review of Allocated Properties Schedule

Each Beneficiary (or its Representative) and the Chargor shall review from time to time, as appropriate, the Allocated Properties Schedule relating to the Relevant Documents to which that Beneficiary is party following the release and/or substitution of any Charged Property and shall, if necessary, amend such Allocated Properties Schedule as they may deem appropriate and deliver such revised Allocated Properties Schedule to the Security Trustee within five days of such release and/or substitution.

5.4 Requirements for amendment

The Allocated Properties Schedule as amended pursuant to clause 5.3 shall not become binding on the Relevant Beneficiary unless and until it has been approved and signed by that Relevant Beneficiary (or its Representative), such approval and signature not to be unreasonably withheld or delayed, and delivered to the Security Trustee. In the absence of such approval and signature, the most recent Allocated Properties Schedule for such Relevant Beneficiary so approved and signed shall continue to apply. For the avoidance of doubt, the withholding or delay of approval and signature by a Beneficiary (or its

Representative) shall not be unreasonable if it is withheld or delayed pending completion of due diligence procedures satisfactory to the Relevant Beneficiary (or its Representative) or if the results of any such procedures are not satisfactory to the Beneficiary (or its Representative) (provided such due diligence procedures are themselves being carried out in good faith and without undue and unreasonable delay).

5.5 Copy to Security Trustee

The Chargor shall promptly deliver a copy of the Allocated Properties Schedule to the Security Trustee after amendments have been made or otherwise at any time on request of the Security Trustee. The Security Trustee shall be entitled to rely on any such Allocated Properties Schedules and amendments and shall have no duty to enquire as to the accuracy or validity thereof.

5.6 Security Certificate

On each date on which an amended Allocated Properties Schedule is delivered to the Security Trustee, the Security Trustee shall issue a Security Certificate in respect of the relevant Allocated Properties to the Relevant Beneficiary (or its Representative).

5.7 Representation by Chargor

On each occasion when a Allocated Properties Schedule is delivered to the Security Trustee, the Chargor represents to the parties hereto at that time that none of the Charged Properties allocated to a Beneficiary are at the same time allocated to any other Beneficiary.

6 Modification

6.1 The Security Trustee may, from time to time with the consent or sanction of the Representative of each Beneficiary, agree with the Chargor in making any modification to any term of this Deed, any Accession Memorandum and/or any Security Document which affects or might affect the rights or obligations of that Beneficiary. Such modification may be made without the concurrence of the Representative of any Beneficiary whose rights and obligations are not prejudiced or affected by that modification.

6.2 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.

6.3 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 Allocated Properties 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.

7 Default procedure

7.1 Enforcement event

If a Representative 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, it shall notify the Security Trustee giving reasonable details 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. For the avoidance of doubt, until so notified the Security Trustee shall be entitled to assume that no Enforcement Event or Potential Enforcement Event has occurred. 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.

7.2 **Enforcing rights**

Following notification pursuant to clause 7.1:

- 7.2.1 The Security Trustee shall, within five Business Days, inform each other Representative;
- 7.2.2 each Representative shall within three Business Days provide the Security Trustee with the information required pursuant to clause 4.5 (Information) solely for the purposes of determining its Relevant Liabilities under any Relevant Document;
- 7.2.3 in relation to the Allocated Properties attributed to any Relevant Beneficiary in relation to which the Representative has been appointed, the Security Trustee shall, following the occurrence of an Enforcement Event which is continuing and if so instructed by that Representative, enforce the Rights in accordance with the instructions of that Representative **provided that** nothing in this clause 7.2 shall entitle that Representative to enforce any Rights contrary to the terms of any of the Relevant Documents and **provided further 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.

7.3 **Unallocated Properties**

- 7.3.1 If there are any Unallocated Properties, during the Calculation Period the Representative of any Beneficiary which, acting reasonably, anticipates that it is likely to incur a Shortfall Amount, shall notify the Security Trustee with details of the calculation of the Shortfall Amount anticipated. Before the expiry of the Calculation Period, the Chargor and the Representative of such Affected Beneficiary shall notify the Security Trustee of the Affected Portion of that Affected Beneficiary in the Unallocated Properties.
- 7.3.2 At any time after the occurrence of an Enforcement Event which is continuing and after the expiry of the Calculation Period, the Representative of each Affected Beneficiary may issue instructions to and make requests of the Security Trustee to enforce the Rights in the Affected Portion of that Affected Beneficiary in the Unallocated Properties.

7.4 **Cross-default**

Each of the parties hereto agrees that an Enforcement Event under any Relevant Document will constitute an Enforcement Event under each other Relevant Document.

8 Application of proceeds

8.1 Order of application

The Security Trustee will, upon the enforcement of any of the security constituted by or pursuant to any of the Security Documents, and after satisfying claims which at law rank in priority to sums owing under or in respect of any of the Relevant Documents, apply:

8.1.1 all Proceeds from each pool of Allocated Properties and related Security Assets, and any Affected Portion of the Unallocated Properties allocated to the Relevant Beneficiary, and all money derived therefrom in the following order:

- (a) first, in or towards payment of all Trustee Costs **provided that**:
 - i where those Trustee Costs are directly attributable to the enforcement of the Rights over that pool of Allocated Properties, such Proceeds shall be applied in an amount equal to the amount specified in a certificate of the Security Trustee, receiver, attorney or agent; or
 - ii where those Trustee Costs are not attributable in that way but are related to the Relevant Documents or the Security Assets as a whole, such Proceeds shall be applied in an amount in relation to each pool of Allocated Properties equivalent to the Relevant Proportion of all such costs, charges, expenses and liabilities; and
- (b) secondly, in relation to the Relevant Liabilities of the Chargor to a Beneficiary in respect of which, at the relevant time, that pool of Allocated Properties is allocated, to be applied in payment to the relevant Beneficiary to apply in accordance with the provisions of such Relevant Document; and

8.1.2 all Proceeds from (a) any Allocated Properties to the extent that the Relevant Liabilities of the Relevant Beneficiary have been paid in full or satisfied and (b) from the Unallocated Properties (if any), other than any Affected Portion and all money derived therefrom in the following order:

- (a) first, to the extent not recovered under paragraph 8.1.1(a) above, in or towards payment pro rata of all Trustee Costs; and
- (b) secondly, to the extent not recovered under paragraph 8.1.1(b) above, in or towards payment pro rata of any Relevant Liabilities owed to any Beneficiary.

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

8.2.1 as soon as reasonably practicable, 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 an Allocated Property, details of each communication received by it from the Chargor 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;

8.2.2 as soon as reasonably practicable, 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 Allocated Properties in respect of that Beneficiary (including without limitation any disposal or Security Interest affecting or attaching to that Allocated Properties by operation of law and/or notified by the Land Registry); and

8.2.3 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 gross negligence, wilful default or fraud.

8.3 **Variation of order**

The order of application of money received set out in clause 8.1 may only be varied with the consent of all the Beneficiaries.

8.4 **Appropriation by the Chargor**

Clause 8.1 will override any appropriation made by the Chargor.

9 **Activities of the Security Trustee**

9.1 **Enforcement action**

The Security Trustee will only be required to take any action to enforce or protect the security created by, or rights arising under, any Security Document 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 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 provided that the Security Trustee will be entitled to decline to take any action unless indemnified and/or secured to its satisfaction. The Security Trustee will be entitled to seek instructions from the relevant Representative as to the manner in which it should carry out any course of action and may act in accordance with any such instructions given by the relevant Representative. The Security Trustee will 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 to its reasonable satisfaction from the relevant Representative. 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.

9.2 **Discretions and duties**

The Security Trustee will:

- 9.2.1 promptly send to each relevant Representative details of each communication received by it from the Chargor under this Deed or any of the Security Documents or the Ancillary Documents provided that the Security Trustee shall not be obliged to report more frequently than quarterly in relation to changes to the Security Register; and
- 9.2.2 save as otherwise expressly provided in this Deed or any of the Security Documents or the Ancillary Documents, the Security Trustee will in granting any consent or waiver or exercising any power, trust, authority or discretion vested in it, act as it in its absolute discretion shall think fit, in which case it will 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 its own gross negligence or wilful misconduct or fraud.

9.3 **Protections**

By way of supplement to the Trustee Act 1925 and the Trustee Act 2000 it is expressly declared as follows:

- 9.3.1 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;
- 9.3.2 the Security Trustee may in relation to any of the provisions of this Deed, each Accession Memorandum, any Security Document or any Ancillary Document, obtain, pay for and act on the opinion or advice of or any information obtained from any lawyer, valuer, surveyor, broker, auctioneer, accountant or other expert whether obtained by the Chargor, the Representative, any Beneficiary or by the Security Trustee or otherwise and will not be responsible for any loss occasioned by so acting;
- 9.3.3 any opinion, advice or information obtained pursuant to the foregoing sub-clause 9.3.1 may be sent or obtained by letter, telex, facsimile transmission, telephone or other means and the Security Trustee will 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, the Representative, the Agent or the Chargor although, in any such case, the same shall contain some error or shall not be authentic;
- 9.3.4 the Security Trustee may call for and will be at liberty to accept as sufficient evidence a certificate signed by any authorised signatory of the Chargor to the effect that any particular dealing, transaction, step or thing is, in the opinion of the person 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 will 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 although the same shall contain some error or shall not be authentic provided that such error or lack of authenticity is not manifest;
- 9.3.5 where the Security Trustee is notified by the Chargor of a person becoming a Beneficiary pursuant to clause 3 (Additional Beneficiaries), the Security Trustee shall be entitled to assume that there are no foreseeable adverse effects to any

Allocated Properties which would result from such person becoming a Beneficiary;

- 9.3.6 the Security Trustee may refrain from doing anything which would or might in its opinion be contrary to any law of any jurisdiction or any directive or regulation of any agency of any state or which would or might in its opinion 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 or regulation;
- 9.3.7 the Security Trustee will not be liable for any failure, omission, or defect in perfecting the security or arrangements created by or pursuant to this Deed, or any Security Document including, without prejudice to the generality of the foregoing, (a) failure to obtain any licence, consent or other authority for the execution of any of the same, (b) failure to register the same in accordance with the provisions of any of the documents of title of the Chargor to any of the property, assets or rights thereby charged and/or assigned, (c) failure to effect or procure registration of or otherwise protect any Relevant Document or any security created by a Security Document under the Land Registration Acts 1925-2002 or any other registration laws in any jurisdiction, or (d) failure to obtain any documents which, under the terms of any Security Document or Ancillary Document should have been deposited with it;
- 9.3.8 the Security Trustee will accept without enquiry, requisition, objection or investigation such title as the Chargor may have to the Security Assets or any part thereof;
- 9.3.9 the Security Trustee will 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 or Ancillary Documents for the time being in its possession in any safe deposit, safe or receptacle selected by it or without being bound to enquire as to the existence or adequacy of any insurances with any bank or building society within the United Kingdom, with 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 reputable insurance broker, and will not be responsible for any loss thereby incurred and, without prejudice to the foregoing, the Chargor's lawyers may retain any such instruments, documents or deeds delivered to the Security Trustee pursuant to or in connection with the Security Documents or Ancillary Documents provided that such lawyers undertake to hold such instruments, deeds or documents to the order of the Security Trustee;
- 9.3.10 save as otherwise provided in this 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 or any Beneficiary) as the Security Trustee may think fit, or in such currency as the Security Trustee

thinks fit and the Security Trustee may at any time vary or transfer any such investments for or into other such investments or convert any moneys so deposited into any other currency and will not be responsible for any loss occasioned thereby whether by depreciation in value, fluctuation in exchange rates 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 monies in any currency other than sterling and may not convert any such monies deposited in any such investments into any other currency. 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;

- 9.3.11 the Security Trustee may in the conduct of the trusts hereof, instead of acting personally, employ and pay an agent 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 will be entitled to be paid all usual professional and other charges for business transacted and acts done by him or any partner or employee of his in connection with the trusts hereof;
- 9.3.12 the Security Trustee will have only those duties, obligations and responsibilities expressly specified in this Deed and will not have any implied duties, obligations and responsibilities;
- 9.3.13 the Security Trustee will 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 will 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;
- 9.3.14 no provision of this Deed, any Accession Memorandum or any Relevant Document or any document referred to therein will 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 has 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;
- 9.3.15 the Security Trustee will 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;

- 9.3.16 neither the Security Trustee nor any of its directors or officers will 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 Chargor or any person or body corporate directly or indirectly associated with any of them, or from accepting the trusteeship of any other debenture or loan stock, debentures, notes or security of the Chargor 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 will be accountable to any Beneficiary 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 will also be at liberty to retain the same for its or his own benefit;
- 9.3.17 except as herein expressly provided, the Security Trustee is hereby authorised and it will be entitled to assume without enquiry (in the absence of knowledge or an express notice to it to the contrary) that no Enforcement Event, event of default, Potential Enforcement Event or potential event of default has occurred (or if it has occurred that it is continuing) and that the Chargor is duly performing and observing all the covenants, conditions, provisions and obligations contained in any Relevant 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);
- 9.3.18 the Beneficiaries will not have any independent power to enforce the Security Documents or Ancillary Documents or to exercise any rights, discretions or powers or to grant any consents or releases under or pursuant to the Security Documents or otherwise have direct recourse to the security constituted by the Security Documents or under the Ancillary Documents except through the Security Trustee or with the Security Trustee's prior written consent. Subject to clause 6 (and subject to its being indemnified and/or secured to its satisfaction and to the provisions of clause 9.3), the Security Trustee will take such action (including, without limitation, the exercise of all rights, discretions or powers and the granting of consents or releases) or, as the case may be, refrain from taking such action under or pursuant to this Deed, the Security Documents or the Ancillary Documents as requested by the Representative;
- 9.3.19 the Security Trustee will be entitled to assume that any instructions or certificates received by it from any Representative under or pursuant to this Deed or any of the other Security Documents are (a) given in accordance with the provisions of this Deed and (b) given, where appropriate, in accordance with directions of persons or the provisions of agreements by which the Beneficiaries are bound and the Security Trustee will not be liable to any other person for any action taken or omitted under or in connection with this Deed in accordance with any such instructions or certificates unless caused by its gross negligence or wilful misconduct or breach of trust. The Security Trustee will be entitled to act upon any notice, request or other communication of any party to this Deed for the purposes of this Deed or any Relevant Document if such notice, request or other communication purports to be signed or sent by or on behalf of an authorised signatory of such party;

- 9.3.20 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 divisions or department and the Security Trustee shall not be deemed to have notice of it; and
- 9.3.21 the Security Trustee shall not be responsible for:
- (a) the financial condition of the Borrower;
 - (b) the performance and observance by the Borrower of its obligations under any Relevant Document; or
 - (c) the collectability of amounts payable under any Relevant Document; and
- 9.3.22 unless otherwise specifically stated in any discharge of this Deed, the provisions of clause 9 will continue in full force and effect notwithstanding such discharge.
- 9.3.23 each Beneficiary will be solely responsible for assessing the value of and income deriving from its Allocated Properties and the Security Trustee will have no responsibility in respect thereof;
- 9.3.24 unless otherwise specifically stated in any discharge of this Deed, the provisions of this clause 9 shall continue in full force and effect notwithstanding such discharge; and
- 9.3.25 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.

9.4 Indemnity

- 9.4.1 Without prejudice to the Chargor's obligations to indemnify the Security Trustee under this Deed, each of the Beneficiaries (other than the Security Trustee), subject to the provisions of clauses 9.4.2 and 9.4.3 hereby undertakes severally to indemnify and hold harmless the Security Trustee against:
- (a) all remuneration, costs, charges, losses, claims, damages, liabilities, expenses and other sums (or actions in respect thereof) including value added tax 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

- (b) 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 7 (Default procedure), clause 9.1, clause 9.3.14 and clause 13.5) the Chargor has failed to comply with its obligations to indemnify and/or secure the Security Trustee as aforesaid 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 9.4.1 is an **Indemnified Amount**.

9.4.2 To the extent the Security Trustee determines that any Indemnified Amount has been incurred in relation to any specific Allocated Properties 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 9.4.1.

9.4.3 To the extent that the Security Trustee determines that any Indemnified Amount does not fall within clause 9.4.2 then each Beneficiary (other than the Security Trustee) shall be responsible for an indemnity for such part of the Indemnified Amount as shall represent its Relevant Proportion.

9.5 **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.

9.6 **Covenants by Beneficiaries**

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

- 9.6.1 it will at all times comply with and perform all its obligations under this Deed;
- 9.6.2 it will send to the Security Trustee, upon request, a list of its duly authorised officers together with specimen signatures of such persons; and
- 9.6.3 it will, so far as permitted by applicable law and regulatory requirements, provide the Security Trustee with all such information 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 or any of the other Security Documents or Ancillary Documents to which the Security Trustee is a party or under other Ancillary Documents or by operation of law.

9.7 **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.

9.8 **Investigation**

The Security Trustee will not (except as expressly provided in this Deed or the Security Documents) have any duty or responsibility, either initially or on a continuing basis:

9.8.1 to provide any Beneficiary with any information with respect to the Chargor (or any related entity thereof) whenever coming into its possession or to provide any other person with any communication received by it under or in connection with this Deed; or

9.8.2 to investigate the application of sums distributed pursuant to clause 8 (Application of Proceeds).

9.9 **Delegation**

The Security Trustee may whenever it thinks fit delegate by power of attorney or otherwise, to any person or persons or fluctuating body of persons (whether being a joint trustee of this Deed or not and including the person for the time being the Representative), for any period (whether exceeding one year or not) or indefinitely, all or any of the trusts, powers and authorities vested in the Security Trustee by the Security Documents or under the Ancillary Documents and such delegation may be made upon such terms and subject to such conditions, including power to sub-delegate, and subject to such regulations as the Security Trustee may in the interests of the Beneficiaries think fit, and provided that the Security Trustee will have exercised reasonable care in the selection of such delegate the Security Trustee will not be in any way responsible for any loss incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate. The Security Trustee will within a reasonable time prior to any such delegation, or any renewal, extension or termination thereof, give notice thereof to the relevant Representative and the Chargor.

9.10 **Security of the Security Assets**

Without prejudice to any applicable provisions in this Deed, after the Enforcement Date the Security Trustee may advance, raise or borrow money on the security of the Security Assets, the subject of such enforcement or any part thereof for the purpose of defraying any Trustee Costs which shall be properly paid or incurred by the Security Trustee in relation to this Deed or which the Security Trustee reasonably anticipates may be paid or incurred in the exercise of the powers, authorities and discretions vested in it or for all other purposes of any of the Relevant Documents or any of them and the remuneration of the Security Trustee and of any receiver and the Security Trustee may advance, raise and borrow such moneys at such rates of interest and generally on such terms and subject to such conditions (if any) as the Security Trustee shall think fit and may secure the repayment of the moneys so advanced, raised or borrowed with interest on the same by

mortgaging, charging or assigning by way of security the Security Assets or any part thereof and either in priority to the security constituted by the Security Documents or otherwise and generally in such manner and form as the Security Trustee shall think fit and for the purposes aforesaid may execute and do all such assurances, documents, deeds, acts and things as it shall think fit and no person lending any money will be concerned to enquire as to the propriety of any moneys so raised or borrowed. The Security Trustee will promptly give notice to the Chargor and the Representative if it exercises any of its powers under this clause.

10 **Remuneration of the Security Trustee**

10.1 **Fee**

The Chargor shall (subject as hereinafter provided) pay to the Security Trustee commencing at the date hereof until the trusts hereof shall be finally wound-up a fee calculated at such rate or in such amount as may be agreed from time to time between the Chargor and the Security Trustee and which will be payable on such date or dates in each year as may from time to time be agreed between the Chargor and the Security Trustee.

10.2 **Exceptional duties**

If the Security Trustee determines, or is required, to enforce any of the Security Documents or in the event of the Security Trustee considering it expedient or necessary or being required to undertake duties which the Security Trustee considers to be of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee under this Deed and any Security Documents or Ancillary Documents, the Chargor will pay to the Security Trustee such additional remuneration or remuneration as may be agreed between them. If the Security Trustee and the Chargor fail 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 and any Security Document or Ancillary Documents, or fail to agree upon such additional remuneration or remuneration under clause 10.1 or 10.2, such matters shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Security Trustee and approved by the Chargor (such approval not to be unreasonably withheld or delayed) 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 will be final and binding on the Chargor and the Security Trustee and the expenses involved in such nomination and the fees of such investment bank will be paid by the Chargor.

10.3 **Costs**

In addition to remuneration hereunder the Chargor will, on written request, pay all fees, costs, charges and expenses including reasonable, properly incurred legal and travelling expenses (and any stamp, registration, documentary, value added tax or similar tax charged thereon) which the Security Trustee may incur in relation to the preparation and execution of this Deed, any Security Document or any Ancillary Document and the exercise of powers the enforcement or preservation of rights or the performance of its duties under, and in any other manner in relation to or under, this Deed, any Accession Memorandum, any Security Document or any Ancillary Document and responding to, evaluating, negotiating or complying with any request for an amendment, waiver or

consent under this Deed, any Accession Memorandum, any Security Document or any Ancillary Document.

10.4 **Indemnity by Chargor**

Without prejudice to any indemnity contained in any Security Document, the Chargor undertakes that it will indemnify the Security Trustee:

10.4.1 in respect of all Trustee Costs (including any claims the Chargor may have against the Security Trustee as a result of the Security Trustee appointing a receiver or taking any action to enforce any security) and other sums (or actions in respect thereof) incurred by it or by any person appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the duties, trusts, powers, authorities or discretions vested in it by this Deed, any Security Document or under any Ancillary Document; and

10.4.2 against all liabilities, actions, proceedings, costs, claims and demands (and any value added tax or similar tax charged thereon) in respect of any matter or thing done or omitted by the Security Trustee or by any person under, pursuant to or in any way in relation to this Deed, any Accession Memorandum any Security Document or under any Ancillary Document save where the same has arisen from the Security Trustee's gross negligence, wilful default or fraud,

in each case to the extent not already indemnified pursuant to the terms of this Deed, any Security Document or under any Ancillary Document.

10.5 **Payment of sums**

All sums payable under clauses 10.3 and 10.4 will be payable within seven days of written demand to the Chargor therefor. All sums payable by the Chargor under this clause 10 will carry interest at a rate equal to 2 per cent per annum over the highest rate for the time being payable under any of the Relevant Documents from the date on which the same become due save where the demand is made following any of the Security Documents becoming enforceable in which case interest shall accrue from the date of demand or (where a demand by the Security Trustee specifies that payment by the Security Trustee has been or will be made on an earlier date) from such earlier date.

10.6 **Tax**

The Chargor will in addition pay to the Security Trustee (if so required) an amount equal to the amount of any value added tax or other tax charged in respect of amounts payable by the Borrower to the Security Trustee hereunder.

11 **Appointment of additional trustees**

11.1 After prior consultation with the Representative of each Beneficiary and the Chargor if reasonably practicable in the circumstances prevailing at the relevant time, 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:

11.1.1 if it considers such appointment to be in the interests of the Beneficiaries; or

11.1.2 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 will give notice to the Representative and the Chargor of any such appointment.

Any person so appointed will have such powers, authorities and discretions and such duties and obligations as will be conferred or imposed on such person by the instrument of appointment and will have the same benefits under clauses 9 and 10 (Remuneration of the Security Trustee) as the Security Trustee. The Security Trustee will have power in like manner to remove any person so appointed. The Security Trustee may pay to any person so appointed any remuneration which has been previously approved by the Representative of each Beneficiary (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, will for the purposes hereof be treated as costs, charges and expenses incurred by the Security Trustee in performing its function as trustee hereunder.

12 Nature of the Chargor's rights and obligations

The Chargor is a party to this Deed for the purpose of acknowledging the provisions hereof and the priorities herein recorded. Accordingly, the Chargor undertakes with each Beneficiary and the Security Trustee to observe the provisions of this 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.

13 Retirement of Security Trustee

13.1 Benefit of deed

This Deed will 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 made in accordance with the terms of any Relevant Document.

13.2 Retirement of Security Trustee

The Security Trustee may retire at any time on giving not less than three months' prior written notice to each Representative of each Beneficiary without assigning any reason and without being responsible for any costs occasioned by such retirement. The Representatives (acting jointly) shall have the power to remove the Security Trustee and appoint a replacement after consultation with the Chargor. The retirement or removal of the Security Trustee shall not become effective until: (i) a successor trustee is appointed by the Representatives (acting jointly and unanimously) in consultation with the Chargor or (ii) in the event that the Representatives have not appointed a successor trustee following the expiry of the Security Trustee's notice period a successor trustee is appointed by the retiring Security Trustee, 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.

13.3 **Merger**

Any corporation into which the Security Trustee may be merged or converted or any corporation with which the Security Trustee may be consolidated or any corporation resulting from any merger, conversion, amalgamation, consolidation or other reorganisation to which the Security Trustee will be party will, to the extent permitted by applicable law, be the successor Security Trustee under this Deed without the execution or filing of any document or any further act on the part of any parties to this Deed, save that notice of any such merger, conversion, amalgamation, consolidation or other reorganisation shall promptly be given to the Representative and the Chargor.

13.4 **Retirement at request of the Representative**

The Representatives (acting unanimously) may at any time require the Security Trustee to retire from its appointment as Security Trustee under this Deed without giving any reason upon giving to the Security Trustee not less than three months' prior written notice (or such shorter period as the Representatives and the Security Trustee may agree) to such effect. The Security Trustee agrees to co-operate in giving effect to such retirement in accordance with any such notice duly received by it and, in such connection, will execute all such deeds and documents as the Representatives may reasonably require in order to provide for:

13.4.1 such retirement;

13.4.2 the appointment of a successor security trustee; and

13.4.3 the transfer of the rights and obligations of the Security Trustee under this Deed to such successor,

in each case in a legal, valid and binding manner.

13.5 **Costs**

Any costs 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 Chargor unless such removal and appointment have been instigated by the Representatives without the consent of the Chargor or of the Security Trustee, in which event the Representatives will bear and will indemnify the Chargor and the outgoing and new Security Trustee against all 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 their Relevant Proportion.

13.6 **Vesting of Trust Property**

It is the intention that (except only as may be agreed in writing between any retiring Security Trustee and its successor with the prior written consent of the Representatives), upon the appointment of any successor to the Security Trustee pursuant to this clause, the Trust Property should, with immediate effect, be vested in such successor under the provisions of the Trustee Act 1925, otherwise by operation of law or, failing that, by assignment or other form of transfer or conveyance. At any time and from time to time following the appointment of any such successor to the Security Trustee, the retiring Security Trustee will do and execute all acts, deeds and documents reasonably required

by such successor in order to transfer to such Security Trustee (or its nominee, as such successor may direct) any Trust Property which does not vest in such successor by operation of law.

13.7 Discharge from obligations

Upon any successor to the Security Trustee being appointed pursuant to clause 13.2 or clause 13.4 the retiring Security Trustee will be discharged from any further obligation under this Deed (with the exception of any obligation under clause 13.6 which may remain to be performed) and its successor and each of the other parties to this Deed will have the same rights and obligations among themselves as they would have had if such successor had been a party to this Deed in place of the retiring Security Trustee.

13.8 Agents

Where relevant, upon any successor to any existing agent under any Relevant Documents being appointed pursuant to that Relevant Document and undertaking by deed to be bound by the terms of this Deed as if it had been a party hereto as agent, the retiring agent will be discharged from any further obligation as such under this Deed and its successor and each of the other parties to this Deed will have the same rights and obligations among themselves as they would have had if such successor had been a party to this Deed in place of the retiring agent.

14 Communication

14.1 Written

Any communication to be given in connection with this Deed will be in writing.

14.2 Addresses

Any communication will either be delivered by hand or sent by first class prepaid post or fax to the relevant party at its address or fax number shown on page 1 (or the relevant Accession Memorandum) unless it has communicated another address or fax number to the other parties in which case it must be sent to the last address or fax number so communicated.

14.3 Delivery

Any communication to be made or delivered by one party to another under or pursuant to this Deed will be deemed to have been received:

- (a) if delivered by hand, at the time of delivery;
- (b) if sent by first class pre-paid post, on the next day after posting; or
- (c) if sent by fax, when the receiving parties' fax machine records a complete transmission;

provided that any notice or other communication to be made or delivered to the Security Trustee will be deemed made only when actually received by the Security Trustee marked for the attention of the department and officer as the Security Trustee shall from time to time specify for this purpose.

15 **Winding up of trust**

15.1 **Avoidance of payment**

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 Chargor or otherwise, then such amount will not be considered to have been irrevocably paid for the purposes of the Security Documents.

15.2 **Discharge of trust**

If the Security Trustee determines that all of the Secured Obligations have been fully, finally and unconditionally discharged and/or released, the trusts herein created will be wound up.

16 **Perpetuity period**

The perpetuity period under the rule against perpetuities, if applicable hereto, will be the period of 125 years from the date hereof.

17 **Miscellaneous**

17.1 **Obligations several**

The obligations of each Beneficiary, the Security Trustee and the Chargor under this Deed are several; the failure of any Beneficiary, the Security Trustee and the Chargor to perform such obligations will not relieve any other Beneficiary or the Chargor of any of their respective obligations or liabilities under this Deed or any of the Relevant Documents nor will the Security Trustee be responsible for the obligations of any other Beneficiary under this Deed.

17.2 **No partnerships**

This Deed will not and shall not be construed so as to constitute a partnership between the parties or any of them.

18 **Powers additional**

The powers conferred on the Security Trustee, by this Deed or by any other Relevant Document will be in addition to any powers which may from time to time be vested in it by general law.

19 **Disapplication**

Section 1 of the Trustee Act 2000 will not apply to the duties of the Security Trustee in relation to the trusts arising under this Deed. Where there are any inconsistencies between the Trustee Act 2000 and the provisions of this Deed, the provisions of this Deed will, to the extent allowed by law, prevail and, in the case of inconsistency with the Trustee Act 2000, the provisions of this Deed will constitute a restriction or exclusion for the purposes of the Trustee Act 2000.

20 **Counterparts**

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

21 **Governing law**

21.1 **Laws of England**

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

21.2 **Exclusive jurisdiction**

The courts of the jurisdiction specified in clause 21.1 have exclusive jurisdiction to settle any dispute arising in connection with this Deed (a **Dispute**). The parties agree that these courts are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

This Deed has been executed as a deed by the parties and is delivered and takes effect on the date at the beginning of this Deed.

Schedule 1

Conditions Precedent

Part A

Charged Properties Documents

- 1 A certified copy of a resolution of the board of management of the Chargor (or a sub-committee thereof together with a copy of the latter's terms of reference):
 - 1.1 approving the terms of and the entry into and execution of the Fixed Charge; and
 - 1.2 authorising specified person(s) to execute the Fixed Charge under hand or seal as applicable.
- 2 A Fixed Charge in relation to the Charged Property duly executed by the Chargor.
- 3 A Certificate of Title addressed to the Security Trustee, and if required, the Relevant Beneficiaries..
- 4 A valuation of the Charged Property prepared by the valuer in accordance with the relevant valuation basis (as required pursuant to the Relevant Document and to which the Charged Property shall be allocated) addressed to the Security Trustee and if required the Relevant Beneficiaries confirming the value of the Charged Property.
- 5 A duly executed Allocated Properties Schedule.
- 6 A duly executed Security Certificate
- 7 A letter of undertaking relating to the title deeds to the Charged Property and perfection of the security under the relevant Fixed Charge relating thereto duly executed by solicitors acceptable to the relevant Representative and addressed to the Security Trustee and the Relevant Beneficiary (including applications to The Land Registry to enter on the Proprietorship Register the restriction against dealings and the obligation to make further advances and to pay any related fees, and to register the Fixed Charge with Companies House or Financial Services Authority as is required for the perfection of such Fixed Charge within the relevant priority periods).
- 8 Where the Charged Property is registered land or an application for first registration has been lodged at The Land Registry in relation thereto, Land Registry searches affording priority to the Security Trustee for a period of not less than ten business days following the date of the relevant Fixed Charge relating thereto and revealing no entries adverse to the interests of the Chargor or the Security Trustee and/or to the extent that the Charged Property involves unregistered land, official priority searches in favour of the Security Trustee of each of the land charges registers against all relevant estate owners which confers a period of priority expiring not less than ten business days after the date of the Security Document relating thereto and reveals no entries adverse to the interests of the Chargor or the Security Trustee.
- 9 Appropriate land registry application forms duly completed (including Form RX1 and CH2) and accompanied by the necessary stamp duty land tax certificate, land registry fees

(including any related fees) and funds for applicable stamp duty land tax, land registry fees (including any related fees) and funds for applicable stamp duty).

10 Copies of policies, certificates or cover notes relating to each contract or policy of insurance taken out by or on behalf of the Chargor, or in which the Chargor has an interest, and which relate to the Charged Property, and evidence satisfactory to the relevant Representative that a note of the Security Trustee's interest has been endorsed upon each such contract or policy of insurance.

11 **Consents of the Regulator**

11.1 A copy of the specific consent of the relevant Regulator to the creation of the Fixed Charge under or Section 172 of the Housing and Regeneration Act or Section 66 of the Housing (Scotland) Act 2001 or Article 13 of the Housing (Northern Ireland) Order 1992 (as appropriate) certified to be a true complete and up to date copy; or

11.2 where a general consent is obtained under Category 6 under Section 172 of the Housing and Regeneration Act in respect of the Disposals of Social Housing Dwellings by Private Registered Providers (as amended from time to time) (the **General Consent**) from the Regulator;

(a) an original certificate signed by an authorised officer and addressed to the Security Trustee and dated not earlier than two business days before the Fixed Charge is entered into certifying the matters which are required to be certified as set out in Category 6 of the general consent;

(b) a copy, certified a true and complete copy by an authorised officer or by solicitors acting on behalf of the Chargor, of the dated letter signed by a duly authorised officer of the Regulator from the Regulator authorising the Chargor to use Category 6 of the General Consent issued by the Regulator); and

(c) a certificate confirming the entry into the Fixed Charge will not contravene the provisions of the Relevant Document.

11.3 evidence satisfactory to the Security Trustee that the General Consent has not been revoked by the Regulator. If, but only if, relevant, a copy of the consent of the Regulator under Section 133 of the Housing Act 1988.

11.4 If, but only if, relevant, a copy of the consent of the Regulator under Section 32 to 34 and 43 of the Housing Act 1985 and Section 25 of the Local Government Act 1988.

11.5 If, but only if, relevant, a copy of the consent of the relevant Secretary of State under Section 171(D)(2) and (3) of the Housing Act 1985.

11.6 Such other documents, reports or opinions, (including, without limitation, environmental reports), certificates, consents, notices or assurances as the Security Trustee reasonably considers to be necessary.

Part B

Allocated Properties Schedule

Details of Charged Properties

In relation to the security trust deed dated [•] between, amongst others, [] as Security Trustee, AmicusHorizon Limited as Chargor and Credit Suisse International as Initial Beneficiary (the **Security Trust Deed**).

Allocated Properties relating to the [•] Liabilities

Description of Property	Title Number (where applicable)
[•]	[•]

The Chargor and the relevant Beneficiary, or its Representative, hereby confirm that the Allocated Properties in relation to its Relevant Liabilities are as described above.

The Chargor

the common seal of)

AmicusHorizon Limited)

was affixed to this Deed)

in the presence of)

Authorised Signatory:

executed as a deed by)

[BENEFICIARY/REPRESENTATIVE])

Authorised Signatory:

Authorised Signatory:

The Security Trustee

given under the common seal of)

Prudential Trustee Company Limited)

in the presence of:)

Sealing Officer:

Schedule 2

Form of Security Certificate

To: [●] as Representative for and on behalf of the Beneficiaries under a Security Trust Deed dated [●] and made between Prudential Trustee Company Limited as security trustee, AmicusHorizon Limited as Chargor and Credit Suisse International as Initial Beneficiary (the **Security Trust Deed**).

Prudential Trustee Company Limited in its capacity as Security Trustee pursuant to the Security Trust Deed hereby certifies the following:

- 1 it has received from [●] an executed Fixed Charge in favour of the Security Trustee over the Property listed in the schedule to this Security Certificate pursuant to which such Property has been allocated as Allocated Properties to [●] on the date hereof;
 - (a) Copies of the conditions precedent provided in respect of the Properties under clause 5.1 of the Security Trust Deed are currently available at the offices of [solicitors] provided however that the Security Trustee owes no duty of care to the Representative of any Beneficiary in connection with the form or substance of such conditions precedent.
- 2 Provided 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 copies of correspondence between us and [●], and information received by us from [●] relating to the Properties since execution of the relevant Security Document are available for inspection at [our office at];

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

Schedule 3

Form of Accession Memorandum

This Deed dated [•], is supplemental to the security trust deed (the **Security Trust Deed**) dated [•] and made between Prudential Trustee Company Limited as Security Trustee (1), AmicusHorizon Limited (as Chargor) (2) and Credit Suisse International as Initial Beneficiary (3) (as the same may from time to time be amended, restated, novated or supplemented).

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

[[The Additional Beneficiary] (the **Additional Beneficiary(ies)**) of [address] 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 3.5 and 3.7 of the Security Trust Deed have been complied with [the Additional Beneficiary] will become a party to and be bound by and benefit from the Security Trust Deed as a Beneficiary in respect of the following Relevant Liabilities owed to it from time to time:

The address for notices to the [Additional Beneficiary] for the purposes of clause 13 of the Security Trust Deed is:

[•]

The following documents shall be designated as **Relevant Documents** and for the purposes of the Security Trust Deed:

[]

The Representative of the Additional [Beneficiary/Beneficiaries] is [•] of [•].

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

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

Execution Page of Accession Memorandum

signed as a deed by)

PRUDENTIAL TRUSTEE COMPANY LIMITED)

in the presence of:)

witness signature

name

address

occupation

signed by)

the common seal of)

AMICUSHORIZON)

LIMITED)

was affixed to this Deed)

in the presence of:)

the common seal of)

ADDITIONAL BENEFICIARY/)

REPRESENTATIVE)

was affixed to this Deed)

in the presence of:)

Schedule 4

Form of Certificate of Title

Certificate of Title

To: Prudential Trustee Company Limited in its capacity as Security Trustee for itself and for and on behalf of the Beneficiaries under (and terms being defined in) a Security Trust Deed dated • and made between Prudential Trustee Company Limited as Security Trustee (1), Amicus Horizon Limited as Chargor (2) and Credit Suisse International as Initial Beneficiary (3) as the same may be amended, novated, replaced, restated, supplemented or varied from time to time (the **Security Trust Deed**);

and each Beneficiary (as defined in the Security Trust Deed);

Properties owned by Amicus Horizon Limited (the Association)

Introduction

1 In accordance with the instructions of the Association, but in the knowledge that you will be relying on this Certificate in connection with either loan facilities made or to be made available to the Association or hedging transactions and interest rate agreements entered or to be entered into with the Association, we have investigated fully and appropriately the title of the Association to those properties (the **Properties**, each being a **Property**) short particulars of which are contained in schedule 1. This Certificate is given in connection with the Security Trust Deed, the Relevant Documents and a legal mortgage to be dated with today's date and made between the Association and the Security Trustee (the **Charge**) as they may be amended, novated, replaced, restated, supplemented or varied from time to time (the **Transaction**). We acknowledge that in providing this Certificate we owe a duty of care to the Security Trustee and the Beneficiaries from time to time.

In this Certificate, references to the **Properties** includes the whole and every part of each of the Properties and reference to any schedule is a reference to a schedule to this Certificate.

Save where otherwise defined herein, terms defined in the Security Trust Deed shall bear the same meanings in this Certificate.

2 In giving this Certificate, we have

- (a) examined and considered all relevant title and other documents relating to the Properties;
- (b) made all necessary and appropriate searches in relation to the Association and the Properties (which searches we confirm are no older than six months at the date of this Certificate) including those required to protect the Security Trustee as mortgagee; and
- (c) made all relevant and necessary enquiries of the Association enabling us to provide this Certificate.

3 The Association has confirmed to us in writing within the 5 working days before the date of this Certificate that it has no information which renders any statement in this Certificate incomplete or inaccurate in any respect.

- 4 We confirm that we have received a copy of the valuation report prepared by • (the **Valuers**) dated • (the **Valuation**) and we have taken it into account in providing this Certificate. We have supplied a copy of this Certificate to the Valuers and we confirm that the Valuers have confirmed to us that the contents of the Certificate do not affect the Valuation.

Certificate

We certify as follows:

1 Properties

- (a) Save as itemised in part II of schedule 1, the Properties are registered at the Land Registry with title absolute and the title numbers appear in part I of schedule 1, and where registered are not subject to any unregistered interests referred to in Schedules 1, 3 or 12 of the Land Registration Act 2002. In the case of those unregistered Properties appearing in part II of schedule 1 the Association's title to those Properties commences with a valid and effective conveyance on sale of at least 15 years.
- (b) Schedule 2 sets out particulars of the leases under which those Properties which are leasehold are held, otherwise the tenure of the Properties is freehold.
- (c) Details of the insurance of the Properties are set out in schedule 3 and the Association has confirmed to us that it has paid all due premiums. The interest of the Security Trustee has been noted on the policy of insurance in a manner which complies with the requirements of the Security Trust Deed, the Relevant Documents and the Charge.
- (d) The Association has confirmed that all of the Properties are presently used for residential purposes (the **Existing Use**) and, save as disclosed in schedule 4, our searches, investigations and enquiries do not reveal otherwise.
- (e) Save as disclosed in schedule 4, no consents (statutory or otherwise) are required by the Security Trustee (or any receiver appointed by the Security Trustee) for the charging and subsequent disposal of the Properties following enforcement of the security created by the Charge or otherwise.

2 Title

- (a) Save as disclosed in schedule 4:
 - (i) the Association is the legal and beneficial owner of the Properties and has a good and marketable title to each of them and is absolutely entitled to the whole proceeds of sale thereof. The title to the Properties is acceptable as security for the Security Trustee;
 - (ii) the Properties enjoy all rights and easements which are necessary for their use and enjoyment for the Existing Use and they are enjoyed on terms which do not entitle any person to terminate or curtail them (whether or not after enforcement of the Security Trustee's security or otherwise);
 - (iii) the entrances to the Properties abut a roadway maintainable at public expense;
 - (iv) the Properties drain to a public sewer;
 - (v) the Properties are served by water, electricity and gas;

- (vi) all conducting media serving the Properties connect directly to the mains without passing through land either in the possession or ownership of another or that of the Association (and which land is not included in the Charge);
- (vii) the Association is in sole possession of the Properties save only for those in respect of which the Association has granted tenancies in accordance with the terms of the Security Trust Deed, the Relevant Documents and the Charge;
- (viii) all deeds and documents necessary to show good and marketable title to the Properties are in our possession;
- (ix) the Properties and the Association are not subject to any monetary payment for the rights and easements mentioned in this Certificate save for any reasonable contribution required for the repair or maintenance of the subject of any such rights; and
- (x) the Charge is being granted over the whole of each of the Properties.

3 Third Party Rights

- (a) Save as disclosed in schedule 4:
 - (i) the Properties are not subject to any adverse estate, right, interest, covenant, restriction, stipulation, easement or other encumbrance or liability whatsoever of an unusual or onerous nature likely to affect the marketability or value of the Properties or the enforceability of the Security Trustee's security over the Properties (including, without limitation, financial charges and planning, statutory or regulatory conditions and restrictions), or rights of nomination binding on the Properties and/or on any mortgagee, chargee or receiver of the Properties, or restrictions on disposal by charge or otherwise by the Association or any such mortgagee, chargee or receiver, or any third party rights or to the payment of outgoings other than the usual rates;
 - (ii) the Association has confirmed that (having made all necessary enquiries) it is not aware of any material disputes in respect of the Properties; and
 - (iii) any covenants, restrictions, stipulations or other encumbrances affecting the Properties have been complied with to date. No demands or complaints have been made or received in respect of the Properties and no notices have been given or received.

4 Planning

- (a) Save as disclosed in schedule 4:
 - (i) there are no agreements or obligations affecting the Properties under section 52 Town and Country Planning Act 1972, section 33 Local Government (Miscellaneous Provisions) Act 1982, section 106 Town and Country Planning Act 1990 (as amended) or any legislation of a similar nature or any agreements under sections 38 and/or 278 Highways Act 1980 or section 18 Public Health Act 1936 or section 104 Water Industry Act 1991 affecting the Properties;
 - (ii) none of the buildings, erections or structures on the Properties have been listed under section 1 Planning (Listed Buildings and Conservation Areas) Act 1990 (the **1990 Act**) nor has the local authority served any building preservation notice under section 3 or 4 of the 1990 Act or any repairs notice

under section 48 of the 1990 Act in respect of the Properties or any building, structure or erection thereon;

- (iii) there is no resolution for the compulsory acquisition of the Properties;
- (iv) the Association has confirmed that no development has been carried out in relation to the Properties which is unlawful or which has been carried out without any necessary consents and permissions under the Town and Country Planning legislation and Building Regulations and our searches, investigations and enquiries do not reveal otherwise;
- (v) the use of the Properties for the Existing Use is not in contravention of the Town and Country Planning legislation and the planning permission affecting the Properties is not the subject of an existing challenge as to its validity. There are no planning conditions which now or will in the future restrict or affect the Existing Use and the Association has confirmed that all conditions relating to such planning permission have been complied with;
- (vi) there are no unusual or onerous conditions attaching to any planning permission affecting the Properties and no planning permission is subject to any condition or limitation making it temporary (other than the conditions referred to in the Town and Country Planning Act 1990 sections 91 and 92) or personal to anyone; and
- (vii) in the case of sheltered housing no planning permission affecting the Properties specifically restricts occupancy to persons over any particular age.

5 Statutory matters

- (a) Save as disclosed in schedule 4:
 - (i) the Association has confirmed that it is not aware of any material breach of planning legislation, building, fire and other relevant regulations, and our searches, investigations and enquiries do not reveal otherwise;
 - (ii) the Association has confirmed that there is no outstanding statutory or formal notice relating to the Properties or to any business carried on there or to the Existing Use and our searches, investigations and enquiries do not reveal otherwise; and
 - (iii) our searches and enquiries reveal that there is no outstanding monetary claim or liability, contingent or otherwise, in respect of the Properties under any Act of Parliament or any order, regulation or bye-law made under it, and the Association does not anticipate that it will be obliged to incur expenditure in relation to the Properties of any substantial sum of money in the near future whether to comply with the requirements of any Act of Parliament, order, regulation or bye-law or otherwise.

6 Leases of the Properties

- (a) In relation to those Properties identified as leasehold and summarised in schedule 2 and save as disclosed in schedule 4:
 - (i) the leases are on usual institutionally acceptable terms and will be acceptable as security by the Security Trustee, there being no restrictions which prevent the Properties being used now or in the future for the Existing Use or which conflict with that use, and there are no terms of an onerous or unusual nature, including all forfeiture and re-entry provisos (which are only exercisable on

grounds of non payment of rent or breach of covenant by the tenant), which are prejudicial to the interests of the Security Trustee as mortgagee;

- (ii) the Association has confirmed that it (having made all necessary enquiries) is not aware of any material breach of any of the covenants (on the part of the landlord or tenant) or terms contained in the leases or of any notice or formal written complaint having been issued or received by the Association in respect of any such breach; and
- (iii) no consent is necessary under the leases or otherwise to the charging or mortgaging of the Properties or in respect of any disposal of the Properties.

7 Tenancies

- (a) All of the Properties that are let have been let on [either] [*insert type of tenancy/lease*] substantially in the form of the tenancy agreement and/or lease contained in the Appendix, and where any letting differs from each such form, such difference does not materially adversely affect either the title of the Association to the Properties, the value of the Properties or the acceptability of the Properties by the Security Trustee as security. We have verified with the Association that the lettings of individual units at the Properties are in accordance with the restrictions contained in the Security Trust Deed, the Relevant Documents and the Charge and with the details (including rent and percentage of equity retained) in the Valuation.
- (b) Where the Properties are let using shared ownership leases:
 - (i) the Association has informed us that since the date of the Valuation it has received no notices from any shared ownership tenant purporting to exercise any rights to purchase a further interest in the Properties nor has any such tenant completed the purchase of any such further interest; and
 - (ii) any of the Properties that are subject to shared ownership rights are listed together with details of the shared ownership leases and the tenants percentage shares in part 1 of schedule 5.
- (c) Unless otherwise disclosed in part 2 of schedule 5 none of the Properties are subject to the tenant's statutory right to buy or the right to acquire pursuant to the Housing Act 1985 and Housing Act 1996 respectively as both may be amended or supplemented from time to time.

8 Searches and General

- (a) There is no other matter arising on our investigation of title, including our searches and enquiries, which casts any doubt on the title of the Association to the Properties and the acceptability of the Properties as security and which should be brought to your attention before the Transaction is completed.
- (b) We confirm that where appropriate the Properties have the benefit of NHBC, Zurich Insurance or Foundation 15 cover.

9 Environmental

- (a) Save as disclosed in schedule 4, so far as the Association is aware (having made all such diligent and proper enquiries as a prudent purchaser would make):
 - (i) the Properties are not contaminated with, nor have they or any of the premises adjoining them been used for any purpose which may have caused the Properties or the ground water beneath or in its vicinity to be contaminated

with any noxious or hazardous substances (whether in solid or liquid form or in the form of gas or vapour and whether by seepage or contamination from any neighbouring or adjoining property) which may cause pollution of the environment or harm to human health (and “pollution of the environment” and “harm” shall have the meanings respectively ascribed to them by s.1 Environmental Protection Act 1990);

- (ii) the Properties have not been used for landfill or other waste disposal purposes;
- (iii) no claim or notice relating to any pollution of, or release into, the environment on or from the Properties has been received from, or threatened by, any third party the National Rivers Authority, Her Majesty’s Inspectorate of Pollution, the Environment Agency, the relevant local authority or any other competent authority and the state and condition of the Properties is not such as to constitute contaminated land for the purpose of Part IIA of the Environmental Protection Act 1990;
- (iv) any development carried out on the Properties has been in accordance with the recommendations of any site/soil investigation report obtained in respect of the Properties; and
- (v) the Properties have never suffered from flooding or problems as a result of subsidence.

Undertakings

We undertake in the following terms:

- 1 We have obtained clear Land Registry searches in Forms OS1 and/or OS2 (as appropriate) or Land Charge Searches (as appropriate) in your favour, save, in the case of Land Registry Searches, for reference to pending applications in favour of third parties for the registration of matters which we confirm are non material to enable the charges created by the Charge to become fully effective and binding upon the Association and to charge properly the Properties.
- 2 We have ensured that all the properties listed in the Valuation are charged by the Charge and that the Charge contains adequate conveyancing descriptions of the Properties.
- 3 We have ensured that the Charge is correctly and validly executed by the Association as at the date hereof.
- 4 We have obtained all consents pursuant to Section 172 Housing and Regeneration Act 2008 and all other necessary third party consents (if any) for completion of the Charge and any disposal of the Properties pursuant to the Charge.
- 5 We have obtained all requisite letters of consent from all relevant chargeholders to the creation of the Charge and shall not complete the Charge without first obtaining letters of non crystallisation in respect of any floating charges entered into by the Association.
- 6 Within the priority period afforded by the searches referred to in paragraph 1 we shall complete the Charge and following completion of the Charge, we shall procure that any deeds of transfer or assurance to the Association are properly and duly stamped by HM Revenue & Customs or a correctly completed land transaction return delivered to HM Revenue & Customs (as appropriate) within the appropriate time, and that during the priority period allowed by the searches referred to in paragraph 1 above, we shall:

- (a) lodge the applications at the Land Registry where necessary together with all necessary documents (with a payment in respect of fees) for the registration of the Association as proprietor of:
 - (i) those of the Properties with registered title which have been transferred to the Association prior to the date hereof; and
 - (ii) those of the Properties with unregistered titles which should be subject to an application for first registration of title;
 - (b) lodge applications at the Land Registry (including, but not limited to, applications in form RX1) and all necessary documents (with a payment in respect of fees) for the registration of:
 - (i) the Charge as a first legal mortgage over the Properties; and
 - (ii) a note of the restrictions and applications referred to in clause • of the Charge in the Title Registers of each of the Title Information Documents for the Properties charged pursuant to the Charge to be obtained by us pursuant to our obligations under this paragraph 6; and
 - (c) file Land Registry Form CH2 applying for the Chief Land Registrar to note the obligation of the Beneficiaries under the Relevant Documents to make further advances on the Charges Registers of each of the Title Information Documents for the Properties charged pursuant to the Charge and to be obtained by us under our obligations set out above.
- 7 We shall ensure that there shall be discharged any mortgages secured against the Properties to enable the Charge to be registered as a first legal mortgage.
- 8 To use our reasonable endeavours to perfect the Association's title to the Properties and the security under the Charge and deal promptly (which, for the avoidance of doubt, means within 5 working days of our receipt of notification of such by either the Security Trustee, its Solicitors or the Land Registry) with any requisitions on title raised by the Land Registry relating thereto or to the application to register the Association as proprietor of the Properties (to the extent not already registered).
- 9 To hold all documents of title (to include, but not limited to, the original Charge) relating to the Properties charged pursuant to the Charge to your order (subject only to the requirements of the Land Registry) and give you written notice after the completion of registration of the Association's title and the Charge in respect of any of the Properties charged pursuant to the Charge and at your request send promptly the documents of title (to include, but not limited to, the original Charge) to you or hold them to your order, in each case with an accurate schedule or schedules listing the relevant documents.
- 10 Immediately after completion of the Charge to:
- (a) register the Charge at the Mutual Societies Registration Section of the Financial Services Authority and to forward the original certificate of registration to the Security Trustee or its solicitors on receipt; and
 - (b) serve notice of charge in duplicate on the landlord of those of the Properties pursuant to the Charge which are leasehold.

General

- 1 We confirm that a copy of this Certificate has been produced to the Association which acknowledges and agrees that all action undertaken will be at the cost of the Association.
- 2 We confirm that our obligations under this Certificate shall not be limited in any way by reference to any other undertaking and/or certificates given by other solicitors to you.
- 3 We undertake to maintain professional negligence insurance for at least 5 years for an amount not less than £● (each and every claim) provided that cover is available at no excessive cost and reasonably commercial terms.

Signed:

Date:

Solicitors (Ref)

Part I - Title numbers of the Properties

-

Part II - Unregistered title details of the Properties

-

Particulars of the leases

- Property: ●
- Commencement Date: ●
- Landlord: ●
- Term: ●
- Current rent: ●
- Rent review provisions: ●
- Alienation: ●
- Onerous/unusual provisions: ●

Insurance

-

Matters to be disclosed

-

Tenancies

Part 1

Property:

-

Percentage of equity
retained by Association:

-

Part 2

-

Appendix

Standard Form Tenancy Agreement(s)

See attached

Schedule 5
Form of Fixed Charge



dated **2011**

AmicusHorizon Limited

(as Chargor)

and

Prudential Trustee Company Limited

(as Security Trustee)

Fixed Charge Over Land

(To: The Chief Land Registrar. Note: This Charge contains (in clause 4.1) the consent of the Chargor 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 4.3.3) the consent of the Chargor 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.)

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Deed

dated 2011

Parties

- (1) **Prudential Trustee Company Limited** in its capacity as security trustee for the Beneficiaries (the **Security Trustee**); and
- (2) **AmicusHorizon Limited** a charitable Registered Provider registered with the Regulator with registration number L4536 and as industrial and provident society with registration number 30786R whose registered office is at Grosvenor House, 125 High Street, Croydon, CRO 9XP (the **Chargor**).

Introduction

- (A) The Chargor and the Security Trustee, amongst others, have entered into a security trust deed dated [●] (the **Security Trust Deed**) pursuant to which the Chargor may grant security in favour of the Security Trustee pursuant to this Deed which can be specifically allocated to certain Beneficiaries.
- (B) It is intended by the parties to this document that it will take effect as a deed despite the fact that a party may only execute this document under hand.

Agreed terms

1 Definitions and interpretation

1.1 Definitions

In this deed unless the context otherwise requires:

Approved Tenancy Agreement has the meaning given to it in clause 8.2.12;

Beneficiaries has the meaning given to it in the Security Trust Deed and **Beneficiary** shall be construed accordingly;

Charged Assets means all the assets, rights, property and undertaking of the Chargor from time to time mortgaged, charged, assigned or agreed to be assigned to, the Security Trustee by the Chargor under this deed;

Collateral Rights means all rights, powers and remedies of the Security Trustee provided by or pursuant to this deed or by law;

Competent Authority means any legal person and/or any court of law or tribunal in each case having authority under applicable Environmental Law;

Dangerous Substances means any natural or artificial substance (whether in the form of a solid, liquid, gas or vapour) the generation, transportation, storage, treatment, use or disposal of which (whether alone or in combination with any other substance) gives rise to a risk of causing harm to man or any other living organism or causing damage to the Environment or public health and includes, but is not limited to, any controlled, special, hazardous, toxic, radioactive or dangerous waste or substance;

Environmental Audit means a full risk assessment of the Charged Assets to ascertain the nature and extent of any harm or detriment caused, or the risk of any possible harm or detriment which may be caused to the environment by any activity, including soil, air or water testing of the Charged Assets and any other property;

Environmental Law means all present and future rules of common or statutory law, acts, regulations, standards or codes having the force of law, any code of practice, circular, guidance note and the like (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), applicable rights or obligations under European Community Law, and any notices, directions, impositions or requirements issued, imposed or directed by any Competent Authority relating to the protection of human health and safety, the protection of property and proprietary rights, or the protection of the environment or the generation, transportation, storage, use, treatment or disposal of Dangerous Substances;

Environmental Licence means a licence, permit, certificate of registration, consent, or approval, including any conditions which attach thereto, which relate to or affect the Charged Assets and which is required by an Environmental Law;

Fixtures includes all buildings, erections and structures at any time on or in the course of construction on the Real Property and includes all fixtures, fittings, plant, materials, machinery, equipment, installations and apparatus (including trade fixtures and fittings) now and from time to time in or on the Real Property;

Insurances means all contracts and policies of insurance of whatever nature which are from time to time taken out by, or with the authority and on behalf of the Chargor in relation to the Charged Assets;

Insured Risks means fire, storm, tempest, flood, earthquake, lightning, explosion, impact, aircraft and other aerial devices and articles dropped from them, riot, civil commotion, malicious damage, landslip, subsidence, burst pipes, environmental pollution, terrorist acts and such other risks as is usual for prudent Registered Providers carrying on activities of the type and scale which are carried on by the Chargor ;

Letting Document means any valid and binding lease, tenancy or licence to occupy or any valid and binding agreement for any part of the Real Property (from time to time) and any licence, consent or approval given thereunder;

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 Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004 and any orders, regulations or permissions (which are legally binding upon the Chargor or its assets) made, issued or granted under or by virtue of those Acts or any of them to the extent that they are applicable to the Chargor;

Real Property means:

- (a) all the freehold and leasehold property in England and Wales specified in the Schedule;
- (b) any Fixtures from time to time situated on or forming part of such freehold or leasehold property; and
- (c) all Related Rights;

Receiver means a receiver, receiver and manager administrative receiver, administrator or attorney or other person to carry out the duties of such person who is a qualified person under the terms of the Insolvency Act 1986 of the whole or any part of the Charged Assets;

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

Related Rights means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, covenants, easements, benefits, claims, contracts, warranties, remedies, security, indemnities and covenants for title in respect of that asset; and
- (d) any monies and proceeds paid or payable in respect of that asset;

Relevant Currency means, in relation to each of the Chargor's Liabilities, the currency in which it is from time to time, denominated;

Secured Liabilities means all the money, liabilities and obligations now or hereafter due, owing or incurred to the Security Trustee or any Beneficiary under the terms of the any Relevant Document (including, without limitation, under any amendments, supplements or restatements of any of such Relevant Documents) in any manner whatsoever, all indemnification and reimbursement obligations in any currency or currencies (whether present or future, actual or contingent) and whether owed by the Chargor as principal or surety or incurred solely or jointly with another, together with all interest accruing thereon and all costs charges and expenses incurred by the Security Trustee, any nominee, delegate or agent thereof or any receiver under any of the reimbursement obligations or any of the Relevant Documents in connection therewith and **Secured Liability** means any one of these obligations;

Security means the security constituted by or pursuant to this deed;

Security Interest means any mortgage, pledge, lien, charge, security assignment, right of set off, 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;

Value or **Valuation** of the Real Property is a reference to the most up to date value or, as the case may be, valuation of such property; and

Tax includes any form of taxation, levy, duty, charge, contribution deductions, withholdings or impost of whatever nature (including any applicable fine, penalty, surcharge or interest) imposed by any government authority, body or official (whether central, local, state or federal) anywhere in the world competent to impose any of them.

1.2 Interpretation

In this deed references to:

- 1.2.1 the **Chargor**, the **Security Trustee**, the **Beneficiaries** or any of them where the context admits include a reference to their respective successors, assigns and/or transferees;
- 1.2.2 persons include bodies corporate, unincorporated associations and partnerships in each case whether or not having a separate legal personality;
- 1.2.3 words importing one gender will be treated as importing any gender, words importing individuals will be treated as importing corporations and vice versa, words importing the singular will be treated as importing the plural and vice versa and words importing the whole will be treated as including a reference to any part, except where the context specifically requires otherwise;
- 1.2.4 this deed or to a provision of this deed, or any other document (including Relevant Document) are references to it as amended, restated, supplemented or novated from time to time;
- 1.2.5 the words include or including (or any similar term) are not to be construed as implying any limitation and general words introduced by the word other (or any similar term) will not be given a restrictive meaning by reason of the fact that they are preceded or followed by words indicating a particular class of acts, matters or things; and
- 1.2.6 statutory provisions, enactments or EC Directives will include references to any amendment, modification, extension, consolidation, replacement or re-enactment of any such provision, enactment or EC Directive, whether before or after the date of this deed.

1.3 Security Trust Deed

- 1.3.1 Words and expressions defined in the Security Trust Deed will have the same meanings when used in this deed, unless the context otherwise requires. In the case of inconsistency definitions set out in the Security Trust Deed will prevail.
- 1.3.2 Clause 1.9 of the Security Trust Deed shall apply, mutatis mutandis, to this Deed.

1.4 Headings

The clause, paragraph and Schedule headings and the table of contents are inserted for ease of reference only and will not affect construction.

1.5 **Third party rights**

1.5.1 A person who is not a party to this deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this deed.

1.5.2 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 Real Property contained herein to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

2 **Payment of secured liabilities**

2.1 **Covenant to pay**

The Chargor covenants with the Security Trustee as Security Trustee and trustee for the Beneficiaries that it will, on demand, discharge all of the obligations which it may at any time have to the Security Trustee (whether for its own account or as Security Trustee and trustee for the Beneficiaries) or any of the Beneficiaries in respect of the Secured Liabilities under the terms of the Relevant Documents.

2.2 **Interest on demand**

If the Chargor fails to pay any sum on the due date for payment of that sum the Chargor will pay interest on such sum (before and after any judgement) from the date of demand until the date of payment calculated on the basis set out in the relevant Relevant Document in relation to late payments. If the Relevant Document is silent in relation to interest accrual on late payments, interest will accrue on a daily basis at 2% per annum over the highest interest rate referred to in the relevant Relevant Documents and compounded (if unpaid) at such intervals as the Security Trustee may determine until the date such amount is unconditionally and irrevocably paid and discharged in full. Such interest will be calculated on the basis of a 365 day year.

3 **Security**

3.1 **Fixed charges**

The Chargor hereby charges in favour of the Security Trustee as Security Trustee and trustee for the Beneficiaries with full title guarantee for the payment and discharge of the Secured Liabilities by way of first fixed charge (which so far as it relates to land in England and Wales the legal title to which is vested in the Chargor at the date of this deed will be a charge by way of legal mortgage) all the Chargor's right, title and interest from time to time in, to and under each of the following present and future assets:

3.1.1 the Real Property;

3.1.2 all rents receivable from any lease granted out of any Real Property and the benefit of all guarantees, indemnities, rent deposits, agreements, undertakings and warranties relating to the same;

3.1.3 all furniture, furnishings, tools, vehicles, computers, computer software and hardware and office and other equipment and other chattels belonging to the

Chargor and the benefit of all contracts, licences and warranties relating to the same;

- 3.1.4 the benefit of all licences, consents and authorisations (statutory or otherwise) held or utilised by the Chargor in connection with the Charged Assets or the use of any of the Charged Assets; and
- 3.1.5 all its rights and interests in and claims under the Insurances issued in relation to the Charged Assets.
- 3.1.6 if and in so far as the fixed charges set forth in clause 3.1.1 above or the assignments set out in clause 3.2 below shall for any reason be ineffective as fixed charges or assignments, the assets referred to in those clauses.

3.2 **Assignments**

The Chargor hereby assigns and agrees to assign by way of security to the Security Trustee as Security Trustee and trustee for the relevant Beneficiaries with full title guarantee (to the fullest extent assignable or capable of assignment without infringing any contractual provision restricting the same (unless any applicable consent or waiver to any such assignment has been given)) for the payment and discharge of the Secured Liabilities, all the Chargor's right, title and interest from time to time in, to and under each of the following present and future assets:

- 3.2.1 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 Chargor 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 Chargor or which may become due and owing to the Chargor 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);
- 3.2.2 all agreements now or from time to time entered into or to be entered into to enable the charging of the Charged Assets and for the sale, letting or other disposal or realisation of the whole or any part of the Charged Assets (including, without limiting the generality of the foregoing, all monies due and owing to the Chargor or which may become due and owing to the Chargor at any time in the future in connection therewith);
- 3.2.3 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 Chargor 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 Chargor in respect of the Real Property charged pursuant to his Deed and all claims, remedies, awards or judgments paid or payable to the Chargor (including, without

limitation, all liquidated and ascertained damages payable to the Chargor under the above) in each case relating to the such Real Property;

- 3.2.4 all licences held now or in the future in connection with the relevant Real Property and also the right to recover and receive all compensation which may at any time become payable to the Chargor in relation to the relevant Real Property;
- 3.2.5 all rights and claims to which the Chargor 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;
- 3.2.6 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 Real Property; and
- 3.2.7 all rental income and disposal proceeds in each case relating to the relevant Mortgaged Property which has not been assigned pursuant to clauses 3.2.1, 3.2.2 or 3.2.3 and the right to make demand for and receive the same.

3.3 Following the occurrence of an Enforcement Event which is continuing unremedied or unwaived, the Chargor shall deliver to the Security Trustee (or procure delivery of) a Notice of Assignment duly executed by, or on behalf of, the Chargor in respect of any asset which is the subject of an assignment pursuant to clause 3.2 (Assignments) 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 **The Land Registry and further advances**

4.1 **Land registration**

The Chargor hereby consents to an application being made to the Chief Land Registrar by or on behalf of the Security Trustee to enter the following restriction (in form P of Schedule 4 to the Land Registration Rules 2003) in the Proprietorship Register of any property which is, or is required to be, registered forming part of the Real 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 (as Security Trustee) referred to in the Charges Register or their conveyancer or an individual identified as an authorised signatory'.

4.2 **Implied covenants**

For the purposes of Rule 68(1) of the Land Registration Rules 2003, the covenants set out in Sections 2 to 5 (inclusive) of the Law of Property (Miscellaneous Provisions) Act 1994 will be extended by the provisions of this deed.

4.3 Further advances

- 4.3.1 Subject to the terms of the relevant Relevant Documents, the relevant Beneficiary which is a lender under a loan facility agreement or other debt instrument may be under an obligation to make further advances to the Chargor.
- 4.3.2 For the purposes of sub-section 94(1)(c) of the Law of Property Act 1925, sub-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.
- 4.3.3 For the purposes of the Land Registration Rules 2003 and sub-section 49(3) of the Land Registration Act 2002, the Chargor hereby consents to an application being made to the Chief Land Registrar 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 Real Property.

5 Further assurance

5.1 Further assurance: general

The Chargor will, at its own expense, promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Trustee may specify (and in such form as the Security Trustee may require in favour of the Security Trustee or its nominee(s)):

- 5.1.1 to perfect or protect the security created or intended to be created in respect of the Charged Assets or any part thereof (which may include the execution by the Chargor of a mortgage, fixed charge or assignment over all or any of the assets constituting, or intended to constitute, Charged Assets) or for the exercise of the Collateral Rights; and/or
- 5.1.2 to facilitate the realisation of the Charged Assets; and/or
- 5.1.3 to obtain all necessary consents to procure the registration of this deed at the Land Registry or on the Land Charges Register as appropriate.

5.2 Consents

The Chargor will use all reasonable endeavours to obtain (in form and content satisfactory to the Security Trustee) as soon as possible any consents necessary to enable the relevant assets of the Chargor purported to be so charged or assigned to be the subject of an effective fixed charge or assignment pursuant to clauses 3.1 and 3.2 and, immediately upon obtaining any such consent, the asset concerned shall become subject to such security and the Chargor shall promptly deliver a copy of each consent to the Security Trustee.

5.3 **Preservation of rights**

Neither the obligations of the Chargor contained in this deed nor the rights, powers and remedies conferred in respect of the Chargor upon the Security Trustee by the Relevant Documents or any of them or by law shall be discharged, impaired or otherwise affected by:

- 5.3.1 the winding-up, dissolution, administration or reorganisation of the Chargor or any other person or any change in its status, function, control or ownership;
- 5.3.2 any of the obligations of the Chargor or any other person under the Relevant Documents or under any other security relating to the Relevant Documents being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- 5.3.3 time or other indulgence being granted or agreed to be granted to the Chargor or any other person in respect of any of their obligations under the Relevant Documents or under any such other security;
- 5.3.4 any amendment to, or any variation, waiver or release of any obligation of the Chargor or any other person under the Relevant Documents or under any such other security;
- 5.3.5 any failure to take, or fully to take, any security contemplated by the Relevant Documents or otherwise agreed to be taken in respect of the Chargor's or any other person's obligations under the Relevant Documents;
- 5.3.6 any failure to realise or fully to realise the value of, or any release, discharge, exchange or substitution of, any security taken or agreed to be taken in respect of the Chargor's, or any other person's obligations under the Relevant Documents; or
- 5.3.7 any other act, event or omission which, but for this clause 5.3, might operate to discharge, impair or otherwise affect any of the obligations of the Chargor or any other person or any of the rights, powers or remedies conferred upon the Security Trustee or any or the Beneficiaries by the Relevant Documents or by law.

6 **Negative pledge and disposal restrictions**

6.1 **Negative pledge**

The Chargor will not create, or permit to arise, or continue (in favour of any person other than the Security Trustee) any Security Interest over the Charged Assets now or in the future, or agree or attempt to do so, or increase or extend any liability of the Chargor secured on any of the Charged Assets, except as permitted under the Relevant Document(s).

6.2 **Disposal of fixed charge assets**

Except as permitted by the relevant Relevant Documents, the Chargor will not (whether by a single transaction or number of related or unrelated transactions, and whether at the

same time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of the Charged Assets charged or assigned by clauses 3.1 and 3.2 or any interests therein.

7 Representations and warranties

7.1 Duration and to whom made

The representations and warranties made by the Chargor in this clause 7 will remain in force for (and will be deemed repeated on each day falling during) the period for which the Secured Liabilities are outstanding and are given to the Security Trustee and each of the Beneficiaries.

7.2 Matters represented

Except as disclosed in writing to the Security Trustee in any certificate of title addressed to the Security Trustee on or prior to the date of this deed or on or prior to the date the Real Property becomes subject to a fixed charge hereunder:

- 7.2.1 the Chargor is the legal and beneficial owner of the Real Property;
- 7.2.2 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 Real Property and the Planning Acts and all relevant building regulations or previously relevant building bye-laws have been complied with in respect of all developments, alterations and improvements to the Real Property and they have also been complied with in respect of the use of the Real Property;
- 7.2.3 there are no covenants, agreements, stipulations, reservations, conditions, interests, rights or other matters whatsoever affecting the Real Property which materially adversely affect or are likely to materially adversely affect the Value of the Real Property or the ability of the Chargor to perform its obligations owed to the Security Trustee and the Beneficiaries;
- 7.2.4 nothing has arisen or has been created or is subsisting which would be an overriding interest over the Real Property which materially adversely affects or is likely to materially adversely affect the Value of the Real Property or the ability of the Chargor to perform its obligations owed to the Security Trustee;
- 7.2.5 no facilities necessary for the enjoyment and use of the Real Property are enjoyed by the Real Property on terms entitling any person to terminate or curtail its or their use which materially adversely affects or is likely to materially adversely affect the Value of the Real Property or the ability of the Chargor to perform its obligations owed to the Security Trustee and the Beneficiaries;
- 7.2.6 the Chargor has received no notice of any adverse claims by any person in respect of the ownership of the Real Property or any interest therein, nor has any acknowledgement been given to any person in respect thereof;
- 7.2.7 the Real Property will be free from any tenancies or licences other than those tenancies or licences permitted under the Relevant Documents;

- 7.2.8 the Chargor has disclosed to the Security Trustee and the Relevant Beneficiaries full details of all inspections, investigations, studies, Environmental Audits and other analyses commissioned by it in relation to environment matters in respect of the Real Property and any adjoining land;
- 7.2.9 the Chargor is, and has at all times been, in compliance with Environmental Law and has not caused or permitted any liability to arise under them and no circumstances exist which are known to it which may be expected to prevent or interfere with it being in compliance with any Environmental Laws; and
- 7.2.10 the Chargor has obtained and is, and has at all times been, in compliance with Environmental Licences and no circumstances exist which might reasonably be expected to prevent or interfere with such compliance in the future.

7.3 Security created

Subject to registration at the Land Registry or at the Land Charges Registry as appropriate and the Financial Services Authority (where appropriate), 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, receivership or administration of the Chargor or otherwise.

8 General undertakings

8.1 Not to jeopardise the Security

The Chargor will not do or allow to be done anything which could reasonably be expected materially to decrease the Value of the Security (other than fair wear and tear arising from the use of the Charged Assets in the ordinary course of business).

8.2 Undertakings

The Chargor will:

- 8.2.1 **Repair:** keep the Real Property 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 Real Property or elsewhere in a good state of repair and in good working order and condition (save for fair wear and tear) except where the Real Property are subject to a development, construction, refurbishment, major repair or improvement scheme until the same is completed;
- 8.2.2 **Insurance:** maintain insurance cover in relation to its activities and assets relating to the Real 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 Chargor and promptly, on request from the Security Trustee, provide the Security Trustee, on request, with copies of all policies and contracts of insurance which relate to the Real 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;

- 8.2.3 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 Real Property (except where the relevant policy or policies are effected in the joint names of the Chargor and the relevant Beneficiary (and, as appropriate, any third party) or the relevant policy or policies provide for the automatic noting of a mortgagee's interest and the Chargor 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 Chargor, 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;
- 8.2.4 Maintenance of Insurances: not do or knowingly permit anything to be done in or upon or relating to the Real Property or any part thereof which may make void or voidable any Insurance in connection therewith;
- 8.2.5 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 on request 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;
- 8.2.6 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 Chargor contained in any lease or leases comprised within the Real 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 Chargor, the Chargor shall promptly inform the Security Trustee;
- 8.2.7 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 Real Property or any part thereof (but not in respect of the occupier thereof where the Chargor is not the occupier);
- 8.2.8 User: use the Real 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 the Real Property or implement any planning permission so obtained;
- 8.2.9 Notices: within 7 days after the receipt by the Chargor of any application, requirement, order or notice served or given by any public or local or any other authority in relation to the Real 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;

8.2.10 Statutes: duly and punctually perform and observe all its obligations in connection with the Charged Assets under any present or future statute or any regulation, order or notice made or given thereunder;

8.2.11 Development: other than in compliance with clause 8.2.1, not carry out, or permit to be carried out, on any part of the Real Property except with the previous consent in writing of the Security Trustee any material 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);

8.2.12 Leases:

(a) 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 Real 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 Real Property other than as permitted under the Relevant Document(s) or pursuant to residential tenancies at a rent and without a fine or premium and which complies with the provisions of the applicable guidance issued by the Tenant Services Authority and/or (where applicable) the Homes and Communities Agency under the Housing and Regeneration Act 2008 (**Approved Tenancy Agreement**) (or on terms which confer no fewer rights on the Chargor as the lessor or licensor and impose no obligations on the Chargor 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;

(b) (in accordance with its enforcement and arrears policies as a Registered Provider (which shall be in a form that is in compliance with the applicable guidance of the Tenant Services Authority)) enforce and not waive or release the covenants, conditions, agreements and obligations contained in or imposed by any 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 Real Property;

- (c) 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 Real 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 Real Property or the ability of the Chargor to perform its obligations under the Relevant Document); and
 - (d) 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 Documents to the Security Trustee or into such accounts as the Security Trustee may require.
- 8.2.13 Deposit of title deeds: subject to the Relevant Documents, deposit with the Security Trustee all deeds and documents of title relating to the Charged 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 Charged Assets are released by the Security Trustee pursuant to the terms of the Relevant Documents;
- 8.2.14 Access: duly and punctually perform and observe all material covenants and stipulations (restrictive or otherwise) affecting all or any part of the Real 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 Chargor'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 Chargor) to enter upon the Real Property and view the state of the same;
- 8.2.15 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 Chargor) 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 Chargor to enable such lawyers to carry out investigations of title to the Real 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 Chargor;
- 8.2.16 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 Chargor) is a Potential Enforcement Event which is continuing and only to the extent that no investigation of title has been

conducted pursuant to paragraph 8.2.15 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 Chargor to the Real 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

8.2.17 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 Real Property and comply with any local land charges, covenants (leasehold or otherwise) or restrictive covenants relating to such Real Property which are binding on it,

provided that nothing in this clause 8.2 shall require or oblige the Chargor 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 Chargor holds any part or parts of the Real Property.

9 **Power to remedy**

In the case of default by the Chargor in repairing or keeping in repair or insuring the Charged Assets or any part thereof or in observing or performing any of the covenants or stipulations affecting the same, the Chargor will permit the Security Trustee or its agents and contractors to enter on the Charged Assets and to comply with or object to any notice served on the Chargor in respect of the Charged Assets 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 consider are necessary or desirable to prevent or remedy any breach of covenant or stipulation or to comply with or object to any notice. The Chargor 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 12.

10 **Enforcement of Security**

10.1 **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. 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.

10.2 **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.

10.3 **Possession**

If the Security Trustee, any Receiver or any delegate of any such person will take possession of the Charged Assets, it or he may at any time relinquish such possession.

10.4 **No liability as mortgagee in possession**

The Security Trustee will not be liable to account as a mortgagee in possession in respect of all or any part of the Charged Assets or be liable for any loss upon realisation or for any neglect, default or omission in connection with the Charged Assets to which a mortgagee in possession might otherwise be liable.

10.5 **Power of sale**

The power of sale under this deed may be exercised notwithstanding that the Security Trustee or the Receiver may have previously waived or refrained from exercising that power; and no demand or notice of sale made or given under this deed will be waived by the acceptance of any payment on account of the Secured Liabilities, or by any negotiations between the Security Trustee and the Chargor or any other party who is acting as agent for the Chargor or on behalf of it.

10.6 **Receiver's liability**

All the provisions of clause 14.3 will apply, mutatis mutandis, in respect of the liability of any Receiver and delegate of the Receiver or the Security Trustee or any officer, employee or agent of the Security Trustee, any Receiver or any delegate.

11 **Extension and variation of the Law of Property Act 1925**

11.1 **Extension of powers**

The power of sale or other disposal conferred on the Security Trustee and on any Receiver by this deed will operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power will arise (and the Secured Liabilities will be deemed due and payable for that purpose) on execution of this deed.

11.2 **Restrictions**

The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 will not apply to this deed or to the exercise by the Security Trustee of its right to consolidate all or any of the security created by or pursuant to this deed with any other security in existence at any time or to its power of sale, which powers may be exercised by the Security Trustee without notice to the Chargor.

11.3 **Power of leasing**

The statutory powers of leasing may be exercised by the Security Trustee at any time and the Security Trustee and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it will think fit, without the

need to comply with any restrictions imposed by Sections 99 and 100 of the Law of Property Act 1925.

11.4 **Non-application**

The following provisions of the Law of Property (Miscellaneous Provisions) Act 1994 will not apply to clause 3 being:

11.4.1 the words **other than any charges, encumbrances or rights which that person does not and would not reasonably be expected to know about** in Section 3(1);

11.4.2 the words **except to the extent that** and all words thereafter in Section 3(2); and

11.4.3 Section 6(2).

11.5 **Application**

Section 109(8) of the Law of Property Act 1925 will not apply, and all monies received by the Security Trustee or any Receiver in the exercise of any powers conferred by this deed will be applied in accordance with clause 8 of the Security Trust Deed.

11.6 The Chargor will have no rights in respect of the application by the Security Trustee of any sums received, recovered or realised by the Security Trustee under this deed.

12 **Appointment of Receiver**

12.1 **Appointment of a Receiver**

12.1.1 At any time after this security becomes enforceable or if the Chargor 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 Charged 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.

12.1.2 In this clause 12, 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.

12.2 **Powers of a Receiver**

Every Receiver appointed in accordance with clause 12.1 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):

12.2.1 Take possession: to take immediate possession of, get in and collect the Charged Assets or any part thereof;

12.2.2 Protection of assets: to make and effect all repairs and Insurances and do all other acts which the Chargor might do in the ordinary conduct of its business as

well for the protection as for the improvement of the Charged Assets and to commence and/or complete any building operations on the Real 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;

- 12.2.3 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 Charged 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;
- 12.2.4 Sell assets: to sell, exchange, convert into money and realise all or any part of the Charged 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 Chargor;
- 12.2.5 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);
- 12.2.6 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 Chargor in relation to the Charged Assets or any part thereof;
- 12.2.7 Legal actions: to bring, prosecute, enforce, defend and abandon all such actions, suits and proceedings in relation to the Charged Assets or any part thereof as may seem to him to be expedient;
- 12.2.8 Receipts: to give valid receipts for all monies and execute all assurances and things which may be proper or desirable for realising the Charged Assets;
- 12.2.9 Insolvency Act 1986 and Law of Property Act 1925:
- (a) all the powers (as varied and extended by the provisions of this Deed) conferred by the Insolvency Act 1986 on mortgagees in possession, Administrators, Receivers and Administrative Receivers (each as defined therein); and

- (b) to do all such other acts and things as any Receiver may consider desirable or necessary for realising the Charged 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 Charged 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 Chargor for all or any of such purposes;
- 12.2.10 Building work: to demolish, alter, improve, develop, complete, construct, modify or refurbish the whole or any part of the Real 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 Chargor 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 Real 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;
- 12.2.11 Repairs: to undertake, effect or complete any work of repair, maintenance, modification, redecoration, improvement, fitting out and furnishing of the Real Property or any part thereof;
- 12.2.12 Planning and environment: to apply for and obtain any planning permissions, building regulation approvals, environmental permits and any other permissions, consents or licences in relation to the Charged Assets or any part thereof;
- 12.2.13 Services: power 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;
- 12.2.14 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 Charged 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;
- 12.2.15 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 Charged 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
- 12.2.16 General powers: to do all such other acts and things as he may consider necessary or desirable for realising the Charged 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 Charged

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 Chargor for all or any of such purposes.

12.3 **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 Chargor to remove a Receiver provided the Chargor 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 Chargor'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 Chargor's registration with the Tenant Services Authority.

12.4 **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 Charged Assets may be exercised after the security hereby created becomes enforceable by the Security Trustee in relation to the whole of such Charged 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.

13 **Protection of purchasers**

13.1 **Consideration**

The receipt of the Security Trustee or any Receiver will be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Assets or making any acquisition, the Security Trustee or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

13.2 **Protection of purchaser**

No purchaser, mortgagee or other person dealing with the Security Trustee or any Receiver will be bound to inquire whether the right of the Security Trustee or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Trustee or such Receiver in such dealings.

14 **Power of attorney**

14.1.1 **Appointment**

The Chargor 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 Charged 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 Chargor 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 Chargor 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.

14.1.2 **Ratification**

The Chargor hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in clause 14.1 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.

14.2 **Ratification**

The Chargor will ratify and confirm all things lawfully done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

15 **Effectiveness of Security**

15.1 **Continuing security**

The security created by or pursuant to this deed will remain in full force and effect as a continuing security for the Secured Liabilities unless and until discharged by the Security Trustee.

15.2 **Cumulative rights**

The security created by or pursuant to this deed and the Collateral Rights will be cumulative, in addition to and independent of every other security which the Security Trustee (whether in its capacity as Security Trustee and trustee or otherwise) or any of the Beneficiaries may at any time hold for the Secured Liabilities or any other obligations or any rights, powers and remedies provided by law. No prior security held by the Security Trustee (whether in its capacity as Security Trustee and trustee or otherwise) or any of the Beneficiaries over the whole or any part of the Charged Assets will merge into the security constituted by this deed.

15.3 **No prejudice**

Neither the Security or the Collateral Rights will be prejudiced by any time or indulgence granted to the Chargor or any other person or by any other thing which might otherwise prejudice the Security or any Collateral Right.

15.4 Remedies and waivers

No failure on the part of the Security Trustee to exercise, or any delay on its part in exercising, any Collateral Right will operate as a waiver thereof, nor will any single or partial exercise of any Collateral Right preclude any further or other exercise of that or any other Collateral Right.

15.5 No liability

None of the Security Trustee, its nominee(s) or any Receiver will be liable by reason of:

15.5.1 taking any action permitted by this deed; or

15.5.2 any neglect or default in connection with the Charged Assets; or

15.5.3 taking possession of or realising all or any part of the Charged Assets,

except in the case of negligence or wilful default or fraud upon its part.

15.6 Partial invalidity

If, at any time, any provision of this deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this deed nor of such provision under the laws of any other jurisdiction will in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this deed is invalid, unenforceable or ineffective for any reason, that will not affect or impair any other part of the Security.

15.7 Other security

The Security Trustee will not be obliged to resort to any guarantees, indemnities, Security Interests or other means of payment now or hereafter held by or available to it before enforcing this deed and no action taken or omitted by the Security Trustee or any of the Beneficiaries in connection with any such guarantees, indemnities, Security Interest or other means of payment will discharge, reduce, prejudice or affect the liability of the Chargor or the Secured Liabilities nor will the Security Trustee be obliged to account for any money or other property received or recovered in consequence of any enforcement or realisation of any such guarantees, indemnities, Security Interests or other means of payment.

15.8 Variation

No variation of the terms of this deed will be valid unless it is in writing signed by the Chargor and confirmed in writing by the Security Trustee.

16 Release of Security

16.1 Redemption of security

Upon the Secured Liabilities being discharged in full and the none of the Relevant Beneficiaries being under any further actual or contingent obligation to make advances or provide other financial accommodation to the Chargor, the Security Trustee will, at the request and cost of the Chargor, release and cancel the security constituted by this deed

and procure the reassignment to the Chargor of the property and assets assigned to the Security Trustee pursuant to this deed, in each case subject to clause 20.2 and without recourse to, or any representation or warranty by, the Security Trustee or any of its nominees.

16.2 **Avoidance of payments**

If the Security Trustee or any Relevant Beneficiary considers that any amount paid or credited to it or any of the Relevant Beneficiaries is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws the liability of the Chargor under this deed and the security constituted hereby will continue and such amount shall not be considered to have been irrevocably paid.

16.3 **Retention of security**

Where the Security Trustee has reasonable cause to be concerned that the Chargor is or may become insolvent, the Security Trustee may retain this deed, the Security and all documents of title, certificates and other documents relating to or evidencing ownership of all or any part of the Charged Assets.

17 **Subsequent Security Interests**

If the Security Trustee or any of the Beneficiaries at any time receives or is deemed to have received notice of any subsequent Security Interest affecting all or any part of the Charged Assets or any assignment or transfer of the Charged Assets which is prohibited by the terms of this deed, all payments thereafter by or on behalf of the Chargor to the Security Trustee or any of the Beneficiaries will be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities as at the time when the Security Trustee or the relevant Beneficiaries received such notice.

18 **Confidentiality**

The Security Trustee may give such information relating to the Chargor and the Chargor's Liabilities as it thinks fit to any person proposing to take an assignment and/or transfer from the Security Trustee and/or to enter into contractual relations with the Security Trustee with respect to this deed.

19 **Expenses, stamp taxes and indemnity**

19.1 **Expenses**

The Chargor will, from time to time on demand of the Security Trustee, reimburse the Security Trustee on a full indemnity basis for all the costs and expenses (including legal fees) together with any VAT thereon properly incurred by it or by any Receiver in connection with:

19.1.1 the negotiation, preparation and execution of this deed and the completion of the transactions and perfection of the security contemplated in this deed; or

19.1.2 the exercise, preservation and/or enforcement of any of the Collateral Rights or the security contemplated by this deed or any proceedings instituted by or

against the Security Trustee or any Receiver as a consequence of taking or holding the security or of enforcing the Collateral Rights,

and such expenses will carry interest until so reimbursed at the rate referred to in clause 2.2.

19.2 **Stamp taxes**

The Chargor will pay all stamp, stamp duty land tax, registration and other taxes to which this deed, the security contemplated in this deed or any judgement given in connection with it is or at any time may be subject and will, from time to time, indemnify the Security Trustee on demand against any liabilities, costs, claims and expenses resulting from any failure to pay or delay in paying any such tax.

19.3 **Indemnity**

The Chargor will, notwithstanding any release or discharge of all or any part of the Security, indemnify the Security Trustee, its agents, attorneys and any Receiver against any action, proceeding, claims, losses, liabilities and costs which it may sustain as a consequence of any breach by the Chargor of the provisions of this deed, the exercise or purported exercise of any of the rights and powers conferred on them by this deed or otherwise relating to the Charged Assets.

20 **Payments free of deduction**

All payments to be made under this deed will be made free and clear of and without deduction or withholding whatsoever for or on account of any taxes except to the extent that the Chargor is required by law to make such payment subject to the deduction or withholding of any taxes. If any tax or amount in respect of tax is required to be deducted from any amounts payable or paid by the Chargor, the Chargor will pay such additional amounts as may be necessary to ensure that after the making of the deduction or withholding which is required the relevant recipient receives and retains (free from any liability in respect of any such deduction or withholding) a net amount equal to the full amount which it would have received and retained had no such deduction or withholding been made.

21 **Discretion and delegation**

21.1 **Discretion**

Any liberty or power which may be exercised or any determination which may be made hereunder by the Security Trustee or any Receiver may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

21.2 **Delegation**

Each of the Security Trustee and any Receiver will have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this deed (including the power of attorney) on such terms and conditions as it sees fit which delegation may include power to sub-delegate and will not preclude either the subsequent exercise of such power, authority or discretion by the Security Trustee or the Receiver itself or any subsequent delegation or revocation thereof.

22 **Perpetuity period**

The perpetuity period under the rule against perpetuities, if applicable to this deed, will be the period of 125 years from the date of this deed.

23 **Counterparts**

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

23.1 **Certificates**

A certificate signed by an official of the Security Trustee as to the amount due or owing from the Chargor will be conclusive evidence against the Chargor except in the case of manifest error or any question of law.

24 **Communication**

24.1 **Written**

Any communication to be given in connection with this deed will be in writing.

24.2 **Addresses**

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

24.2.1 in the case of the Chargor:

AmicusHorizon Limited
Grosvenor House
125 High Street
Croydon
Surrey CR0 9P

FAO: Executive Director of Finance and Resources
Fax: +44 (0)20 8771 6961

24.2.2 in the case of the Security Trustee:

Prudential Trustee Company Limited
Laurence Pountney Hill
London
EC4R 0HH

FAO: Corporate Trust Manager
Fax: 020 7548 3883

or, in each case, such other details as one may notify the other in writing.

24.3 **Delivery**

A communication sent by the Security Trustee under clause 24 will be deemed to have been received:

24.3.1 if delivered by hand, at the time of delivery;

24.3.2 if sent by first class pre-paid post, on the next day after posting; or

24.3.3 if sent by fax, when the Security Trustee's fax machine records a complete transmission.

A communication by the Chargor will be deemed made only when actually received by the Security Trustee.

25 **Exempt Charity**

The Real Property is held by (or on trust for) the Chargor, an exempt charity.

26 **Governing law**

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

This Deed has been executed as a deed by the parties and is delivered and takes effect on the date at the beginning of this deed.

Schedule 1

Details of Real Property

Real Property Description	Administrative Area	Title Number or Root of Title

Schedule 2
Notice of Assignment

To:

Dated:

Notice of assignment

We hereby give notice that by a legal mortgage dated [redacted] made between AmicusHorizon Limited (**Chargor**) (1) and Prudential Trustee Company Limited as security trustee (**Security Trustee**) (2) (**Charge**), the Chargor 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 Chargor under the Assigned Assets shall be paid to the Chargor's account with [Bank] ([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 Chargor shall be entitled, subject to the provisions of this notice, to exercise its rights under the Assigned Assets.

Yours faithfully

.....
Authorised Signatory
for and on behalf of
AmicusHorizon Limited
as Chargor

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
AmicusHorizon Limited

Dated:

Signatories

Chargor

The common seal of **AmicusHorizon 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

The Security Trustee

Executed as a deed by affixing the common seal of)

Prudential Trustee Company Limited)

was affixed in the presence of:)

Sealing officer

The Chargor

the common seal of)

AMICUSHORIZON LIMITED)

was affixed in the presence of:)

Authorised signatory

Authorised signatory

The Initial Beneficiary

executed as a deed by)

CREDIT SUISSE INTERNATIONAL)

Acting by) Attorney / Authorised signatory

In the presence of:)

.....

Signature of witness

Name:

Address: