

Execution Version

We hereby certify
this to be a true copy
of the original

Naomi
SECRETARY.

24 MAY 2007

PRUDENTIAL TRUSTEE COMPANY LIMITED
as Security Trustee

CIRCLE ANGLIA TREASURY LIMITED
as Group Borrower

CIRCLE THIRTY THREE HOUSING TRUST LIMITED
as Obligor

WHERRY HOUSING ASSOCIATION LIMITED
as Obligor

SOUTH ANGLIA HOUSING LIMITED
as Obligor

OLD FORD HOUSING ASSOCIATION
as Obligor

SECURITY TRUST DEED

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THIS DEED is made on 24 May 2007.

BETWEEN:

- (1) **PRUDENTIAL TRUSTEE COMPANY LIMITED**, acting through its office at Laurence Pountney Hill, London EC4R 0HH, in its capacity as security trustee for itself and the other Security Beneficiaries (the "Security Trustee");
- (2) **CIRCLE THIRTY THREE HOUSING TRUST LIMITED**, an industrial and provident society formed under the laws of England and Wales with its registered office at Circle Anglia House, 1-3 Highbury Station Road, London N1 1SE ("Circle Thirty Three");
- (3) **CIRCLE ANGLIA TREASURY LIMITED** a company incorporated under the laws of England and Wales (registered number 06133979) with its registered office at Circle Anglia House, 1-3 Highbury Station Road, London N1 1SE ("Circle Anglia Treasury");
- (4) **WHERRY HOUSING ASSOCIATION LIMITED**, an industrial and provident society formed under the laws of England and Wales with its registered office at Circle Anglia House, 1-3 Highbury Station Road, London N1 1SE ("Wherry");
- (5) **SOUTH ANGLIA HOUSING LIMITED**, an industrial and provident society formed under the laws of England and Wales with its registered office at Circle Anglia House, 1-3 Highbury Station Road, London N1 1SE ("South Anglia"); and
- (6) **OLD FORD HOUSING ASSOCIATION**, a company incorporated under the laws of England and Wales with a registered office at Circle Anglia House, 1-3 Highbury Station Road, London N1 1SE ("Old Ford").

WHEREAS:

- (A) The Guarantors wish to restructure their debt obligations such that certain of their existing indebtedness will be repaid through the proceeds of a loan facility granted by Loan Facility Providers to a Group Borrower which in turn will on-lend such proceeds to them to enable such repayment and such that their existing interest rate hedging agreements will be novated to a Group Borrower.
- (B) The Guarantors will seek further on-loan funding from Group Borrowers which will fund such on-loans through loan facilities to be entered into with Loan Facility Providers. The Group Borrowers will enter into interest rate hedging agreements in relation to the amounts borrowed from Loan Facility Providers.
- (C) The Guarantors have agreed in a Deed of Guarantee to guarantee the payment and performance of the obligations of each Group Borrower to the Security Trustee for and on behalf of certain of the Security Beneficiaries.

- (D) The Guarantors have agreed that the Security shall secure payment and performance of their obligations under the Relevant Documents and agree that the benefit of the Security shall be granted to the Security Beneficiaries.
- (E) To the extent that the Security is constituted by NAB Charged Properties, the terms and conditions concerning the grant and administration of such Security will be prescribed by the NAB Administration Agreement.
- (F) The Security granted by the Guarantors will also secure payment and performance of the obligations of Obligors to any Direct Facility Providers.
- (G) It is intended by the parties hereto that this document shall take effect as a deed.

NOW IT IS HEREBY AGREED as follows:

1. INTERPRETATION AND DEFINITIONS

1.1 Definitions

In this Deed:

"**Accession Date**" means the date on which an Accession Memorandum takes effect subject to and in accordance with Clause 2 (*Accession*);

"**Accession Memorandum**" means each memorandum to be entered into pursuant to Clause 2 (*Accession*) and which is substantially in the form set out in Schedule 1 (*Form of Accession Memorandum*);

"**Account Charge**" means, in respect of each Obligor, a charge executed or to be executed by such Obligor in favour of a Finance Beneficiary or an Agent, as the case may be, over a Charged Account to secure the Secured Obligations of the relevant Obligor to the relevant Finance Beneficiaries under a particular Finance Document;

"**Addition Date**" means the date on which it is proposed in a Notice of New Finance Beneficiary that a new Finance Beneficiary becomes a Finance Beneficiary under this Deed;

"**Agent**" means any person acting in its capacity as agent for any Finance Beneficiary in accordance with Clause 1.2.6;

"**Ancillary Documents**" means the valuations, reports or certificates of title held by any Security Beneficiary in respect of the Security Assets;

"**Apportioned Part**" means:

- (a) in relation to NAB Charged Properties, the percentage of NAB Charged Properties to which an NAB Beneficiary is entitled or which are allocated to it pursuant to Clause 5.1.1; and

- (b) in relation to SAB Charged Properties, such SAB Charged Properties as have been specifically allocated to a SAB Beneficiary in accordance with Clause 5.1.2;

"Apportionment Certificate" means a certificate substantially in the form attached as Schedule 4 (*Form of Apportionment Certificate*) to be delivered by the Security Trustee to the Finance Beneficiaries in accordance with Clause 5 (*Apportionment of Charged Properties*);

"Approved Tenancy" means a tenancy agreement, shared ownership lease or licence substantially in line with the guidelines of the Housing Corporation or in such other form as may be approved by the relevant Finance Beneficiary (acting reasonably);

"Asset Cover Covenants" has the meaning ascribed to that term in the relevant Finance Document;

"Business Day" means any day (except Saturday, Sunday and public holidays) on which banks are open for general business in London;

"Certificate of Title" means a certificate of title substantially in the form attached at Schedule 6 (*Form of Certificate of Title*) addressed to the Security Trustee from Devonshires or other solicitors acting for the relevant Obligor in respect of the Charged Property;

"Charged Account" means each account of a Guarantor charged under an Account Charge to a Finance Beneficiary;

"Charged Property" means each Residential Property charged by an Obligor to the Security Trustee under a Fixed Charge or Supplemental Fixed Charge and **"Charged Properties"** means all of them;

"Deed of Guarantee" means the deed of guarantee dated 24 May 2007 made between the Guarantors, the Group Borrower and the Security Trustee and such other deed of guarantee as may be designated as a Deed of Guarantee for the purposes of this Deed by the Obligors and the Security Trustee;

"Default Rate" means a rate equal to 1 per cent per annum plus the base rate from time to time of National Westminster Bank plc;

"Designated Document" means each agreement or other instrument which evidences:

- (a) Obligor Liabilities between an Obligor and a Security Beneficiary and which has been designated as a **"Designated Document"** by such Obligor and such Security Beneficiary in the relevant Accession Memorandum;
- (b) Group Borrower Liabilities between a Group Borrower and a Finance Beneficiary and which has been designated as a **"Designated Document"** by such Group Borrower and such Finance Beneficiary in the relevant Notice of New Finance Beneficiary; or

- (c) Obligor Liabilities between an Obligor and a Finance Beneficiary or Group Borrower Liabilities between a Group Borrower and a Finance Beneficiary and which has been designated as a **"Designated Document"** in the relevant Notice of New Designated Document;

"Direct Borrower" means such person as becomes a borrower or interest rate hedge counterparty under a Direct Facility Agreement (except any Group Borrower);

"Direct Facility" means a loan, interest rate hedging arrangement or other credit facility made available by a Direct Facility Provider to a Direct Borrower pursuant to a Direct Facility Agreement;

"Direct Facility Agreement" means each agreement entered into between a Direct Facility Provider and a Direct Borrower pursuant to which a Direct Facility Provider provides a Direct Facility to a Direct Borrower;

"Direct Facility Liabilities" means, at any time, all present and future sums, liabilities and obligations whatsoever (actual or contingent) of a Direct Borrower to a Direct Facility Provider under a Direct Facility Agreement;

"Direct Facility Provider" means a person who provides a Direct Facility to an Obligor and acquires the benefit of this Deed as a Finance Beneficiary through a Notice of New Finance Beneficiary;

"Dispute" means a dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or the consequences of its nullity);

"Encumbrance" means:

- (a) a mortgage, charge (including any floating charge), pledge, lien or other encumbrance securing any obligation of any person or granting any security to a third party; or
- (b) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect;

"Enforcement Event" means:

- (a) in relation to a Deed of Guarantee:
 - (i) the failure of an Obligor to pay sums due and owing to a Finance Beneficiary under such Deed of Guarantee after the Security Trustee is directed by the relevant Finance Beneficiary to make a demand under it and such Finance Beneficiary is entitled to payment thereof; and/or
 - (ii) such event as entitles a Finance Beneficiary to require the enforcement of any of the Security Documents or the Group Borrower Security Deed;

- (b) in relation to a Direct Facility Agreement, any of the events, howsoever described, specified in such Direct Facility Agreement, as an event upon the occurrence of which any Finance Beneficiary becomes entitled to:
- (i) call for early repayment of all or any of the sums owing to such Finance Beneficiary under such Direct Facility Agreement; and/or
 - (ii) terminate all or any of the facilities under, or all or any of the transactions entered into pursuant to, such Direct Facility Agreement prior to the scheduled maturity thereof (other than the termination of any hedging arrangement contemplated under any Direct Facility Agreement where such termination occurs other than through the default of an Obligor); and/or
 - (iii) require the enforcement of any of the Security Documents;

"Excluded Assets" means such money or assets as are designated as excluded assets in an Accession Memorandum;

"Finance Beneficiaries" means each person which becomes a Finance Beneficiary pursuant to the provisions of Clause 2 (*Accession*) through delivery of a Notice of New Finance Beneficiary;

"Finance Document" means, at any time, each Deed of Guarantee, each Direct Facility Agreement, each Designated Document, each Issuer Loan Agreement, each Funding Agreement, each Hedge Agreement and each other agreement which at that time has been entered into between (a) an Obligor and a Group Borrower and (b) a Group Borrower and a Finance Beneficiary;

"Fixed Charge" means a first priority fixed charge executed or to be executed by the relevant Obligor in favour of the Security Trustee over a Charged Property in substantially the form attached as Schedule 7 (*Form of Fixed Charge*) subject to such amendments as are agreed between an Obligor and the Security Trustee or which are required to reflect any change in law or the details of the properties to be charged or otherwise (as approved by the Security Trustee with the agreement of the relevant Obligor);

"Funding Agreement" means each loan facility agreement entered into between a Group Borrower and a Loan Facility Provider the performance of which is guaranteed under each Deed of Guarantee;

"Funding Loans" means each loan advanced by a Loan Facility Provider to a Group Borrower pursuant to a Funding Agreement;

"Group Borrower" means Circle Anglia Treasury Limited and such other person as may be designated as a Group Borrower for the purposes of this Deed by the Obligors with the agreement of the Security Trustee;

"Group Borrower Liabilities" means, at any time, all present and future sums, liabilities and obligations whatsoever (actual or contingent) of a Group Borrower to a Security Beneficiary under:

- (a) an Issuer Loan Agreement;
- (b) a Funding Agreement;
- (c) the Group Borrower Security Deed; and
- (d) a Hedge Agreement;

"Group Borrower Security Deed" means the security deed dated 24 May 2007 made between the Group Borrower and the Security Trustee;

"Guarantee Liabilities" means, at any time, all present and future sums, liabilities and obligations whatsoever (actual or contingent) of each Obligor to certain of the Security Beneficiaries under a Deed of Guarantee in respect of Group Borrower Liabilities;

"Guarantor" means each of Wherry and South Anglia, and such other persons who may accede to a Deed of Guarantee from time to time as guarantors and **"Guarantors"** means all of them;

"Hedge Agreement" means an agreement made between the Group Borrower and a Finance Beneficiary pursuant to which such Finance Beneficiary provides interest rate hedging facilities to the Group Borrower;

"Housing Act" means the Housing Act 1996;

"Housing Corporation" means The Housing Corporation constituted pursuant to Part III of the Housing Associations Act 1985 or any similar authority carrying on substantially the same functions;

"Issuer" means such person as may be designated as an Issuer for the purposes of this Deed by the Obligors and the Security Trustee;

"Issuer Loan Agreement" means each loan facility agreement entered into or to be entered into between an Issuer and a Group Borrower pursuant to which an Issuer has granted to a Group Borrower an Issuer Loan Facility;

"Issuer Loan Facility" means a loan facility made available by an Issuer to a Group Borrower pursuant to an Issuer Loan Agreement;

"Loan Facility Provider" means such persons as make Funding Loans available to a Group Borrower (except each Issuer);

"Majority of the Finance Beneficiaries" means a Finance Beneficiary or Finance Beneficiaries whose Secured Obligations are in aggregate more than $66\frac{2}{3}$ per cent. of the aggregate Secured Obligations provided that for the purposes of this definition:

- (a) the Secured Obligations in relation to a Finance Beneficiary which has provided a loan facility to the Group Borrower or an Obligor shall be calculated:
- (i) if there are no amounts advanced under the relevant Finance Documents, by reference to the commitment of the relevant Finance Beneficiary or Finance Beneficiaries made available under the relevant Finance Document; and
 - (ii) at any other time, by reference to the Secured Obligations then outstanding; and
- (b) the Secured Obligations in relation to a Finance Beneficiary which has provided interest rate hedging arrangements to the Group Borrower or an Obligor shall be calculated by reference to the mark-to-market value of that Finance Beneficiary's exposure under the relevant Finance Document;

"NAB Administration Agreement" means the numerical apportionment administration agreement to be entered into by the parties hereto on or after the date of this Deed;

"NAB Beneficiary" means each Finance Beneficiary which has been allocated Charged Properties on a Numerical Apportionment Basis and **"NAB Beneficiaries"** means all of them;

"NAB Charged Properties" means, at any time, all Units comprising the Charged Properties that have been allocated to the NAB Beneficiaries on a Numerical Apportionment Basis and **"NAB Charged Property"** means each of them;

"Notice of New Designated Document" means a duly completed and executed Notice of New Designated Document in substantially the form set out in Schedule 3 (*Form of Notice of New Designated Document*);

"Notice of New Finance Beneficiary" means a duly completed and executed Notice of New Finance Beneficiary in substantially the form set out in Schedule 2 (*Form of Notice of New Finance Beneficiary*);

"Numerical Apportionment Basis" means the numerical apportionment basis set out in the NAB Administration Agreement;

"Obligor" means, at any time:

- (a) each Guarantor;
- (b) each Direct Borrower;
- (c) such other person(s) as may accede to this Deed as Obligors from time to time through an Accession Memorandum; and
- (d) any subsidiary (as defined under section 15 of the Friendly and Industrial and Provident Societies Act 1968 or section 736 of the Companies Act 1985, as

the case may be) or associate (as defined in section 61 of the Housing Act 1996) of a Guarantor or Direct Borrower which is at that time a party to a Relevant Document;

"Obligor Conditions Precedent" means the conditions precedent set out in Schedule 9 (*Obligor Conditions Precedent*);

"Obligor Liabilities" means, at any time, the Guarantee Liabilities, the Direct Facility Liabilities and the Security Document Liabilities at that time;

"Old Ford Floating Charge" means the floating charge to be granted by Old Ford in favour of the Security Trustee on or after the date of this Deed;

"Potential Enforcement Event" means any event which would become (with the passage of time, the giving of notice, the making of any determination hereunder or any combination thereof) an Enforcement Event;

"Proceeds" means the aggregate of all receipts or recoveries by the Security Trustee pursuant to, or upon enforcement of the Security and 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 Security Beneficiaries;

"Proportionate Share" means the amount of Secured Obligations owing to a Finance Beneficiary divided by the amount of the Secured Obligations owing to all of the Finance Beneficiaries;

"Registered Social Landlord" has the meaning ascribed to it in the Housing Act;

"Relevant Documents" means the Finance Documents, the Security Documents, the Ancillary Documents and the Group Borrower Security Deed;

"Relevant Trustee Costs" means:

- (a) in respect of an Apportioned Part, all Trustee Costs to the extent relating to that Apportioned Part; and
- (b) in relation to the Unallocated Charged Properties, all Trustee Costs to the extent relating to the Unallocated Charged Properties;

"Reporting Date" means 31 March, 30 June, 30 September and 31 December in each calendar year, commencing 30 June 2007;

"Residential Property" means any real property situated in England and Wales which is being used or capable of being used as residential units of accommodation by a Registered Social Landlord;

"Right to Buy" means the right of a tenant of any Charged Property to buy such Charged Property from an Obligor under Section 16 of the Housing Act, Part V of the

Housing Act 1985 (or any similar right or scheme replacing or supplementing that right) or where a grant is provided to that Obligor in respect of such a sale under Section 21 of the Housing Act or any other statute or regulation conferring similar rights to tenants of Registered Social Landlords or housing associations or under any contract conferring such a right, a preserved right to buy or a right to acquire on rent to mortgage terms, homebuy (or any similar right or scheme), or any voluntary purchase grant arrangement;

"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, the Group Borrower Security Deed or under the Ancillary Documents and all rights to make demands, bring proceedings or take any other action in respect thereof, including, without limitation, any rights to bring proceedings against a law firm issuing a Certificate of Title;

"SAB Beneficiary" means:

- (a) each Finance Beneficiary which has been allocated Charged Properties on a Specific Allocation Basis; and
- (b) each NAB Beneficiary which has been specifically allocated Charged Properties after a default in accordance with the NAB Administration Agreement;

and **"SAB Beneficiaries"** means all of them;

"SAB Charged Properties" means, at any time, the Charged Properties that have been allocated to the SAB Beneficiaries;

"Secured Obligations" means the aggregate of:

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

"Security" means the security created or evidenced by the Security Documents;

"Security Agent" means the security agent appointed by a Finance Beneficiary or group of Finance Beneficiaries pursuant to a Security Agent Appointment Agreement;

"Security Agent Appointment Agreement" means each agreement pursuant to which a Finance Beneficiary or group of Finance Beneficiaries appoints a Security Agent for the purposes of performing certain functions and responsibilities under the Relevant Documents;

"**Security Assets**" means all assets, rights and property of the Obligors the subject of the Security and the Rights;

"**Security Beneficiaries**" means the Security Trustee and each Finance Beneficiary;

"**Security Certificate**" means a certificate issued by the Security Trustee in favour of a Finance Beneficiary in the form set out in Schedule 5 (*Form of Security Certificate*);

"**Security Document Liabilities**" means, at any time, all present and future sums, liabilities and obligations whatsoever (actual or contingent) of each Obligor to the Security Beneficiaries under the Security Documents;

"**Security Documents**" means:

- (a) each Fixed Charge;
- (b) each Supplemental Fixed Charge;
- (c) the Old Ford Floating Charge (upon its coming into force);
- (d) this Deed;
- (e) the NAB Administration Agreement (upon its coming into force);
- (f) each duly executed Accession Memorandum;
- (g) each Notice of New Finance Beneficiary; and
- (h) any other document designated as such by the Security Trustee and an Obligor;

"**Security Register**" means the register of all security interests created in respect of the Security Assets maintained by a Group Borrower;

"**Shared Ownership Property**" means any property of an Obligor which is occupied on shared ownership terms so that such Obligor holds or may hold less than 100 per cent. of the beneficial interest in that property and the purchaser of the balance of that beneficial interest has the right to acquire a further portion of such Obligor's retained beneficial interest;

"**Shared Ownership Sale**" means the disposal of all or any part of any Shared Ownership Property by an Obligor (or the retained interest of an Obligor in any Shared Ownership Property);

"**Specific Allocation Basis**" means the specific allocation basis set out in Clause 5.1.2;

"**Specific Expenses**" means any costs, charges, expenses and liabilities incurred by or on behalf of the Security Trustee and any receiver, attorney or agent in connection with any repairs or maintenance or servicing of specific Charged Properties;

"**Supplemental Fixed Charge**" means each first priority supplemental fixed charge executed or to be executed by an Obligor in favour of the Security Trustee over a Charged Property in the form attached as Schedule 8 (*Form of Supplemental Fixed Charge*) subject to such amendments as are agreed between the Security Trustee and the Obligors or which are required to reflect any change in law or the details of the properties to be charged (as approved by the Security Trustee after agreement with the relevant Obligor or Obligors);

"**Surveyor**" means such third party surveyor as is appointed by the Security Trustee in accordance with the NAB Administration Agreement;

"**Surveyor's Expenses**" means such costs and expenses as are properly incurred by a Surveyor fulfilling the duties allocated to it in accordance with the NAB Administration Agreement;

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

"**Trust Property**" means the Security Assets, the Rights and the Proceeds held by on trust by the Security Trustee under this Deed;

"**Trustee Costs**" means all remuneration, costs, expenses, indemnities and liabilities referred to in Clause 10 (*Remuneration of the Security Trustee*) and all remuneration, costs, 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 an Obligor is liable under any Security Document;

"**Unallocated Charged Properties**" means, at any time, the aggregate number of Charged Properties that have not been allocated to the SAB Beneficiaries on a Specific Allocation Basis or the NAB Beneficiaries on a Numerical Apportionment Basis;

"**Units**" means at any time a Charged Property or part thereof comprising a unit of residential accommodation in relation to which there is or, when let, there would be a separate rental contract entered into with an Obligor and "**Units**" means all such Charged Properties or part thereof;

"**Valuation**" means, in relation to the Charged Properties, a valuation of those properties addressed to the Security Trustee and the relevant Finance Beneficiaries provided by a Valuer containing such information as is relevant to the portfolio of the Charged Properties and, where applicable under the relevant Finance Document, showing the value of the properties on the relevant Valuation Basis;

"**Valuation Basis**" means any of Valuation Basis I, Valuation Basis II, Valuation Basis III or Valuation Basis IV as selected by a Group Borrower subject to the Valuer determining that such selection by that Group Borrower is not inappropriate given the type of Charged Properties being valued;

"Valuation Basis I" means a method of valuation of the Charged Properties (or, in the case of a shared ownership scheme, of the relevant Obligor's beneficial interest therein) calculated on the basis of MV-T in accordance with the guidelines set out in P.S.3.2 of the RICS Appraisal and Valuation Manual as at the date of this Deed (or such other suitable alternative basis as the relevant Finance Beneficiaries and Group Borrower may agree in writing) including the sale of voids;

"Valuation Basis II" means a method of valuation of the Charged Properties (or, in the case of a shared ownership scheme, of the relevant Obligor's beneficial interest therein) calculated on the basis of EUV-SH with the assumption that voids will be re-let as they become vacant in accordance with the guidelines set out in P.S.1.13 of the RICS Appraisal and Valuation Manual as at the date of this Deed (or such other suitable alternative basis as the relevant Finance Beneficiaries and Group Borrower may agree in writing);

"Valuation Basis III" means a method of valuation of the Charged Properties (or, in the case of a shared ownership scheme, of the relevant Guarantor's beneficial interest therein) calculated on the basis of MV-T in accordance with the guidelines set out in P.S.3.2 of the RICS Appraisal and Valuation Manual as at the date of this Deed (or such other suitable alternative basis as the relevant Finance Beneficiaries and the Group Borrower may agree in writing) excluding the sale of voids;

"Valuation Basis IV" means a method of valuation of the Charged Properties (or in the case of shared ownership scheme, of the relevant Guarantor's beneficial interest therein) calculated on the basis of market value with vacant possession in accordance with the guidelines set out in P.S. 3.2 of the RICS Appraisal and Valuation Manual as at the date of this Deed (or such other suitable alternative basis as the relevant Finance Beneficiaries and the Group Borrower may agree in writing);

"Value" means, at any time, the value of a Charged Property as determined by the Valuer in accordance with the selected Valuation Basis, as the case may be, provided that if any Charged Property or part thereof is sold pursuant to a Right to Buy or Shared Ownership Sale, the value of the relevant Charged Property shall, for the purposes of this definition and with effect from the date of the relevant sale, be zero (if the entire relevant Charged Property has been sold) or (if only part of the relevant Charged Property has been sold) shall be the proportion of the value of the Charged Property as set out in the most recent valuation delivered pursuant hereto which is equal to the proportion of the relevant Charged Property which has not been sold pursuant to the relevant Right to Buy or Shared Ownership Sale; and

"Valuer" means a suitably qualified professional valuer selected by a Majority of the Finance Beneficiaries and appointed by the relevant Guarantor for the purpose of completing a valuation in accordance with Valuation Basis I, Valuation Basis II, Valuation Basis III or Valuation Basis IV.

1.2 Interpretation

In this Deed (save to the extent that the context otherwise requires):

- 1.2.1 references to any agreement, contract, deed or document shall be construed as including any amendment, restatement, accession, novation or supplement thereof;
- 1.2.2 words importing the singular number include the plural and *vice versa*;
- 1.2.3 references herein to any person shall be construed so as to include their and any subsequent respective successors and permitted assigns and transferees from time to time;
- 1.2.4 any provisions herein relating to Designated Documents shall only be applicable on and after the first Addition Date and the parties hereto may, until such Addition Date, exercise their rights and perform their obligations as if this Deed made no reference to Designated Documents;
- 1.2.5 references herein to a "person" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) or two or more of the foregoing; and
- 1.2.6 in the case of any Finance Beneficiary which has appointed an Agent to act as agent on behalf of such Finance Beneficiary under any Funding Agreement or Direct Facility Agreement:
 - (a) the appointing Finance Beneficiary shall notify the Security Trustee of such appointment; and
 - (b) where the provisions of a Security Document require such Finance Beneficiary to take any action, issue, receive or execute any notices, instructions, requests or documents or give or withhold its consent or agreement, such Finance Beneficiary shall act for such purposes exclusively through its Agent and the Agent shall, and shall be empowered to take such action, issue, receive or execute such notice, instruction request or document or give or withhold consent or agreement, in each case, on behalf of such Finance Beneficiary in accordance with the provisions of the relevant Security Document.

1.3 Instructions to Security Trustee

For the purposes of this Deed and the Group Borrower Security Deed, where some or all of the Finance Beneficiaries (or the Obligors, as the case may be) are entitled to make requests and/or give instructions to the Security Trustee pursuant to a Relevant Document:

- 1.3.1 in relation to an Apportioned Part of the SAB Charged Properties:
 - (a) the Security Trustee shall act in accordance with the requests and instructions of the relevant SAB Beneficiary in relation to such Apportioned Part; and

- (b) the SAB Beneficiary in relation to such Apportioned Part shall only issue instructions and make requests of the Security Trustee in relation to the Apportioned Part allocated to that SAB Beneficiary unless the SAB Beneficiary is also an NAB Beneficiary in relation to some NAB Charged Properties in which case the relevant clauses of the NAB Administration Agreement shall also apply to such NAB Charged Properties,

except in each case in respect of an Obligor's rights to request that the Security Trustee release certain Charged Properties in accordance with Clause 6.1 (*Release of Charged Properties*) and Clause 6.2 (*Substitution of Security Assets*);

1.3.2 in relation to the Unallocated Charged Properties:

- (a) while no Enforcement Event is outstanding, the Security Trustee shall act in accordance with the requests and instructions of the Obligors holding title to the relevant Unallocated Charged Properties, acting unanimously (if applicable), who shall issue instructions to and make requests of the Security Trustee only in relation to such Unallocated Charged Properties provided that this Clause 1.3.2(a) shall not apply to any consent or confirmation to be granted by the Security Trustee pursuant to Clause 2.2.2(c)(iv)(1), Clause 3.2.2(a) or Clause 6.2.3(a) of this Deed and Clause 8.6 (*Development*), Clause 8.8 (*Leases*) and Clause 8.11 (*Land Registry*) of a Fixed Charge in relation to which clauses the Security Trustee shall use its independent discretion;
- (b) while an Enforcement Event is outstanding, the Security Trustee shall act in accordance with the requests and instructions of a Majority of the Finance Beneficiaries; and
- (c) for the purposes of Clause 1.3.2(a), the Obligors shall notify the Security Trustee as to the identity of the Obligors holding title to Unallocated Charged Properties:
 - (i) on the date of this Deed; and
 - (ii) upon any change to the Obligors holding title to the Unallocated Charged Properties,

and unless and until the Security Trustee has received notice of a change in the identity of the Obligors holding title to the Unallocated Charged Properties, the Security Trustee shall be entitled to assume that there has been no change in such identity or identities since receipt of the last of such notifications;

- 1.3.3 unless the Security Trustee has received express written notice to the contrary, the Security Trustee shall not concern itself whether a Finance Beneficiary or

an Obligor is entitled under the terms of the relevant Finance Document to give requests or instructions under a Finance Document for the purposes of Clauses 1.3.1 to 1.3.2;

1.3.4 if any Finance Beneficiary or Obligor in issuing any request or instruction breaches any rights or restrictions set out in the Relevant Document applicable to it, such breach shall not invalidate that request or instruction unless the Security Trustee receives express notice that, in relation to a request or instruction made or given by it before the Security Trustee commences to act on such request or instruction, such request or instruction was invalid and should not be acted on. If the Security Trustee receives any such notice after it has commenced to act on a request or instruction, the validity of any action already taken shall not be affected but the Security Trustee shall take no further action in accordance with such request or instruction, except where:

- (a) the Security Trustee has already become legally obliged to do so; or
- (b) the Security Trustee, acting reasonably, decides that taking no such action would be materially prejudicial to the interests of any Finance Beneficiary; and

1.3.5 only the relevant Finance Beneficiary or Obligor shall, in accordance with the terms of the applicable Relevant Document, be entitled to make requests or give instructions to the Security Trustee and no other person shall have any rights to request the Security Trustee to take any action or proceedings under or in relation to any Relevant Document.

1.4 Avoidance of payment to Security Trustee

If the Security Trustee considers that an amount paid to any Security 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 relevant Obligor or otherwise, then such amount shall not be considered to have been irrevocably paid for the purposes of the Security Documents.

1.5 Conclusiveness of certification from Security Trustee

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

1.6 Third party rights

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 terms of this Deed.

1.7 Incorporation of terms into Security Documents

Clause 8 (*Application of Proceeds*) and Clause 9 (*Activities of the Security Trustee*) of this Deed are deemed to form part of each Security Document as if expressly incorporated into it and as if all references in such Clauses to this Deed were a reference to such Security Document.

2. ACCESSION

2.1 Addition of Finance Beneficiaries

- 2.1.1 If any person wishes to become a Finance Beneficiary under this Deed, the relevant Group Borrower or Direct Facility Provider shall notify the Security Trustee to that effect prior to the date proposed for such accession.
- 2.1.2 On the relevant Addition Date, the relevant Group Borrower or Direct Facility Provider shall deliver to the Security Trustee:
 - (a) a Notice of New Finance Beneficiary duly completed and executed by the proposed Finance Beneficiary and the Security Trustee; and
 - (b) a copy of the relevant Designated Document executed by the proposed Finance Beneficiary, the relevant Obligor and, where applicable, the Group Borrower.
- 2.1.3 Any Notice of New Finance Beneficiary delivered to the Security Trustee pursuant to Clause 2.1.2 shall take effect upon receipt by the Security Trustee of the documents referred to in Clause 2.1.2, provided always that the new Finance Beneficiary shall not have the benefit of any Security unless and until any apportionment is made in accordance with Clause 5 (*Apportionment of Charged Properties*).
- 2.1.4 Upon receipt by the Security Trustee of a duly completed and executed Notice of New Finance Beneficiary, the Security Trustee shall distribute promptly copies of that Notice of New Finance Beneficiary to each existing Finance Beneficiary and each other Obligor.

2.2 Accession of Obligors

- 2.2.1 If any person wishes to become an Obligor under this Deed, that person shall notify the Security Trustee to that effect.
- 2.2.2 On the relevant Accession Date, the proposed Obligor shall deliver or procure the delivery to the Security Trustee, to the satisfaction of the Security Trustee, of:
 - (a) an Accession Memorandum duly completed and executed by the proposed Obligor and the Security Trustee;
 - (b) a copy of the relevant Designated Document executed by the proposed Obligor, the relevant Finance Beneficiary or Finance Beneficiaries and all other parties thereto;
 - (c) a notice incorporating:
 - (i) details of the properties which the proposed Obligor wishes to become Unallocated Charged Properties;

- (ii) in the case of any properties which the proposed Obligor wishes to become NAB Charged Properties, those details prescribed by the NAB Administration Agreement;
- (iii) in the case of any properties which the proposed Obligor wishes to become SAB Charged Properties, details of the allocation of such Charged Properties to the relevant SAB Beneficiaries; and
- (iv) in respect of any properties which the proposed Obligor wishes to become Charged Properties, confirmation by that Obligor:
 - (1) in the case of Unallocated Charged Properties, to the satisfaction of the Security Trustee;
 - (2) in the case of NAB Charged Properties, as prescribed by the NAB Administration Agreement; and
 - (3) in the case of SAB Charged Properties, to the satisfaction of the relevant SAB Beneficiary,

that the Obligor Conditions Precedent have been satisfied.

2.2.3 Upon fulfilment of the requirements set out in Clause 2.2.2:

- (a) the relevant Accession Memorandum shall become of full force and effect; and
- (b) the Security Trustee shall promptly deliver a copy of the relevant Accession Memorandum to each existing Obligor and each Finance Beneficiary.

2.3 Cessation of Secured Obligations

If an Obligor ceases to be under any Secured Obligation to a Finance Beneficiary, the relevant Finance Beneficiary shall notify the Security Trustee to that effect (who in turn shall promptly notify the remainder of the Finance Beneficiaries) and such Finance Beneficiary shall thereafter cease to be a Finance Beneficiary under this Deed.

2.4 Limitation of liability of Security Beneficiaries

No Security Beneficiary shall have any liability for the obligations of any other Security Beneficiary, the obligations of the Security Beneficiaries under this Deed shall be and shall be deemed to be several and independent and not joint.

3. THE SECURITY

3.1 The 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 and as detailed in each Security Document dated on or prior to the date of this Deed creating, evidencing or granting security for the obligations of Obligors under a Relevant Document shall comprise the benefit of the Encumbrances, Rights and obligations arising in favour of

the Security Trustee under each Security Document and each Ancillary Document and all notices of assignment or charge given pursuant to any of the Security Documents and all acknowledgements given in respect of such notices.

3.2 Additional Security

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

- 3.2.1 such security is granted in the form of a Fixed Charge or a Supplemental Fixed Charge; and
- 3.2.2 the relevant Obligor has satisfied in respect of such security the Obligor Conditions Precedent to the satisfaction of:
 - (a) in the case of Unallocated Charged Properties, the Security Trustee;
 - (b) in the case of NAB Charged Properties, the person prescribed by the NAB Administration Agreement; and
 - (c) in the case of SAB Charged Properties, the Security Trustee acting on instructions of the relevant Finance Beneficiary,

save to the extent that the Security Trustee or, if applicable, the relevant Finance Beneficiary has waived compliance with any of the same.

3.3 Further requirements of additional Security

Upon accepting any additional security pursuant to Clause 3.2 (*Additional Security*), the Security Trustee shall deliver a Security Certificate in respect of any such Charged Properties to the relevant Finance Beneficiaries.

3.4 Information

Each Finance Beneficiary shall provide as soon as reasonably practicable following a request from the Security Trustee an accurate and up-to-date certificate as to the Secured Obligations owing (actually or contingently) to such Finance Beneficiary by reference to each relevant Finance Document (so as to enable the Security Trustee to perform its functions under this Deed). Such certificate shall be in the form required by the Security Trustee. The Security Trustee shall be entitled to rely on any such certificates and shall have no duty to enquire as to the accuracy thereof.

3.5 Protection of Charged Properties

Except as expressly permitted by a Relevant Document or as may be required by law, the Security Trustee shall not:

- 3.5.1 release any Charged Properties from the Security or re-allocate any of the Charged Properties; or

3.5.2 enter into any deed or document which would purport to impose any obligation on the relevant Finance Beneficiary or would create any Encumbrance affecting a Charged Property,

provided that where a Relevant Document prescribes that either of the matters listed in Clause 3.5.1 or Clause 3.5.2 may occur with the prior written consent of the Finance Beneficiaries, such consent shall be given:

3.5.3 in relation to NAB Charged Properties, as prescribed by the NAB Administration Agreement; or

3.5.4 in relation to SAB Charged Properties, by the relevant SAB Beneficiary or SAB Beneficiaries,

and provided further that either of the matters listed in Clause 3.5.1 or Clause 3.5.2 may occur in relation to an Unallocated Charged Property with the prior written consent of the relevant Obligor.

3.6 Maintenance of Security Register

Each Group Borrower will at all times maintain the Security Register relevant to its borrowings.

3.7 Entries in Security Register

Each Group Borrower, as applicable, will promptly make the relevant entry in the relevant part of the Security Register in respect of:

3.7.1 each asset charged by an Obligor in favour of the Security Trustee so as to form part of the Security Assets;

3.7.2 each release of Security Assets from any Security Document;

3.7.3 any disposition or dealing affecting any Security Asset including (without limitation) any disposition by operation of law and any disposal of all or part of any Shared Ownership Property but excluding any letting on an Approved Tenancy; and

3.7.4 each reallocation of an Apportioned Part as part of the Unallocated Charged Properties or in favour of another Finance Beneficiary in accordance with this Deed,

provided that each Group Borrower in the Security Register shall at all times distinguish between the Apportioned Parts in respect of each Finance Beneficiary and any of the properties comprised in the Unallocated Charged Properties.

3.8 Reconciliation

No later than on each Reporting Date, each Group Borrower 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. Upon the request of a Finance

Beneficiary, the Security Trustee shall provide a copy of the latest Security Register to that Finance Beneficiary.

4. SECURITY TRUST

4.1 Trust arrangements

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

4.2 Knowledge of amendments

The Security Trustee shall not be deemed to have knowledge of any amendment to any Relevant Document to which it is not a party until such time as it has actual notice of any such amendment in writing from the relevant Obligor or Finance Beneficiary.

5. APPORTIONMENT OF CHARGED PROPERTIES

5.1 Basis for apportionment of Charged Properties

The Security Trustee shall on the date of this Deed apportion the Charged Properties into such number of parts between the Finance Beneficiaries in accordance with the terms of this Deed (with the remaining number thereof comprising Unallocated Charged Properties) in the following manner:

5.1.1 in the event the relevant Designated Document states that the "Numerical Apportionment Basis" is to apply, in accordance with the NAB Administration Agreement; or

5.1.2 in the event the relevant Designated Document states that the "Specific Allocation Basis" is to apply, the Apportioned Part shall comprise the specific Charged Properties designated to such SAB Beneficiary, as agreed between such SAB Beneficiary and the relevant Obligor(s) and notified to the Security Trustee.

5.2 Agreement to adjustment

At any time, the Obligors and a particular Finance Beneficiary may agree to an increase or reduction of such Finance Beneficiary's Apportioned Part where the Units concerned (or the number thereof, as the case may be) cease to become or become Unallocated Charged Properties provided that upon reaching any agreement pursuant to this Clause 5.2 (*Agreement to Adjustment*), the relevant Obligor(s) and the relevant Finance Beneficiary shall notify the Security Trustee of the terms of such agreement.

5.3 Delivery of Apportionment Certificates

Upon any new apportionment effected in accordance with this Clause 5 (*Apportionment of Charged Properties*) being notified to the Security Trustee:

5.3.1 the Security Trustee shall prepare an Apportionment Certificate in relation to such apportionment notifying each relevant Finance Beneficiary:

- (a) where such apportionment has been undertaken on a Specific Allocation Basis, the specific Charged Properties included in that Finance Beneficiary's Apportioned Part (such notification to be effected by including the information prescribed by the schedule to the Apportionment Certificate); and
- (b) where such apportionment has been undertaken on a Numerical Apportionment Basis, of its Apportioned Part in accordance with the NAB Administration Agreement;

5.3.2 the Security Trustee shall deliver each such Apportionment Certificate to the relevant Obligor for signature;

5.3.3 each relevant Obligor which receives an Apportionment Certificate from the Security Trustee shall promptly sign such Apportionment Certificate and return it to the Security Trustee (but the absence of such countersignature and/or delivery shall not prejudice the validity thereof);

5.3.4 upon the earlier of receiving the signed Apportionment Certificate from each relevant Obligor and the expiry of seven calendar days from the day that the Security Trustee delivered such Apportionment Certificate to the relevant Obligor(s), the Security Trustee shall notify each relevant Finance Beneficiary in writing of the apportionment or allocation, as the case may be, to each relevant Finance Beneficiary by delivering to such Finance Beneficiary the relevant Apportionment Certificate;

5.3.5 the Security Trustee shall not be liable to any Obligor or any Finance Beneficiary pursuant to this Clause 5.3 (*Delivery of Apportionment Certificates*) for the failure to deliver a revised Apportionment Certificate if such failure is a result of any failure by an Obligor or a Finance Beneficiary to provide the information required by the Security Trustee to complete and deliver such revised Apportionment Certificate; and

5.3.6 in completing a revised Apportionment Certificate pursuant to this Clause 5.3 (*Delivery of Apportionment Certificates*), the Security Trustee shall be entitled to rely without enquiry or investigation on the information provided to it by the relevant Obligor(s) and/or Finance Beneficiary.

5.4 Delivery of revised Apportionment Certificates

Upon any Unit included in any Apportioned Part being released, re-allocated or substituted in accordance with this Deed or the NAB Administration Agreement and such release, re-allocation or substitution being notified to the Security Trustee by the relevant Obligor(s):

5.4.1 the Security Trustee shall prepare a revised Apportionment Certificate in relation to such re-allocation and deliver such revised Apportionment Certificate to each relevant Obligor for signature;

5.4.2 each relevant Obligor which receives a revised Apportionment Certificate from the Security Trustee shall promptly sign such Apportionment Certificate and return it to the Security Trustee (but the absence of such countersignature and/or delivery shall not prejudice the validity thereof); and

5.4.3 upon the earlier of receiving the signed revised Apportionment Certificate from each relevant Obligor and the expiry of seven calendar days from the day that the Security Trustee delivered such Apportionment Certificate to each relevant Obligor, the Security Trustee shall notify each relevant Finance Beneficiary in writing of the of the re-allocation by delivering to such Finance Beneficiary the relevant revised Apportionment Certificate.

5.5 Delivery of Apportionment Certificate on a collective basis

Where there is more than one Finance Beneficiary which is party to the same Funding Agreement, Issuer Loan Agreement or Direct Facility Agreement, the Security Trustee may issue in satisfaction of its obligations under Clause 5.3 (*Delivery of Apportionment Certificates*) and Clause 5.4 (*Delivery of revised Apportionment Certificates*) an Apportionment Certificate identifying the Apportioned Part relevant to the Finance Beneficiaries party to such Funding Agreement, Issuer Loan Agreement or Direct Facility Agreement to a single Finance Beneficiary or other person appointed as a representative of that group of Finance Beneficiaries.

5.6 Date of adjustment

For the avoidance of doubt, the Units in respect of each Finance Beneficiary shall be deemed not to be adjusted until such time as an Apportionment Certificate has been delivered to each relevant Finance Beneficiary.

5.7 Excepted circumstances

5.7.1 For the avoidance of doubt, an adjustment to the Apportioned Parts and the Unallocated Charged Properties will not be deemed to be necessary for the purposes of any review of the Apportioned Parts undertaken in accordance with the NAB Administration Agreement and a reallocation and issue of a revised Apportionment Certificate will not be required for the purposes of Clause 5.3 (*Delivery of Apportionment Certificates*) and Clause 5.4 (*Delivery of revised Apportionment Certificates*) in circumstances where:

- (a) a Finance Beneficiary which is party to a Funding Agreement or a Direct Facility Agreement transfers its rights and/or obligations thereunder, in full or in part, to another party in accordance with the provisions of such Funding Agreement or Direct Facility Agreement and the transferee accedes to, and becomes a Finance Beneficiary for the purposes of, this Deed in accordance with Clause 2 (*Accession*); and
- (b) the Apportionment Certificate issued most recently prior to such transfer in respect of the transferring Finance Beneficiary has been issued on a collective basis as contemplated in Clause 5.5 (*Delivery of Apportionment Certificate on a collective basis*).

5.7.2 In the circumstances identified under Clause 5.7.1, the acceding Finance Beneficiary will share in the Units apportioned to the Finance Beneficiaries party to such Funding Agreement or Direct Facility Agreement by its accession to this Deed, the extent of its share being proportionate to the rights and obligations transferred to it under such Funding Agreement or Direct Facility Agreement as determined in accordance with the provisions thereof.

5.8 Additional Charged Properties

Any additional Charged Properties mortgaged to the Security Trustee pursuant to any Supplemental Fixed Charge shall be deemed to be Unallocated Charged Properties until such time, if any, as they are otherwise apportioned pursuant to Clause 5 (*Apportionment of Charged Properties*).

5.9 Re-allocation upon breach by Obligor

In circumstances where an Obligor is in breach of any asset cover, performance cover, withdrawal or similar ratios or any other covenants or requirements or similar ratio given in any Finance Document, then the Obligors and the Finance Beneficiaries may, to the extent it is necessary and possible, agree to increase the relevant Apportioned Part by:

5.9.1 in relation to the SAB Charged Properties, increasing the number of Charged Properties which have been allocated to the relevant SAB Beneficiary;

5.9.2 in relation to the NAB Charged Properties, increasing the number of Charged Properties which have been allocated to the relevant NAB Beneficiary or NAB Beneficiaries,

in each case by withdrawing Unallocated Charged Properties and allocating them to the relevant Apportioned Part or by such other means as have a similar effect and will instruct the Security Trustee to revise the Apportioned Parts accordingly provided always that the asset cover, performance cover, withdrawal or similar ratios or any other covenants or requirements that need to be satisfied prior to any withdrawal or disposal in respect of any other Finance Documents (collectively, the "Asset Tests") continue to be complied with after such reallocation and no Enforcement Event (other than the Enforcement Event which is to be remedied by such reapportionment) has occurred and is outstanding or would occur as a result of such adjustment. The Security Trustee shall have no obligation to the Finance Beneficiaries to monitor any compliance by the Obligors with, or satisfaction of, the Asset Tests pursuant to this Clause 5.9 (*Re-allocation upon breach by Obligor*) but upon being notified of the completion of such re-allocation, the Security Trustee shall issue a revised Apportionment Certificate to the relevant Finance Beneficiaries in accordance with Clause 5.4 (*Delivery of revised Apportionment Certificates*).

5.10 No duplicate apportionment

For the avoidance of doubt, no Charged Property shall be included in more than one Apportioned Part.

6. **RELEASE AND SUBSTITUTION OF CHARGED PROPERTIES**

6.1 **Release of Charged Properties**

Notwithstanding any provision of Clause 5 (*Apportionment of Charged Properties*), at the request and expense of an Obligor, the Security Trustee shall, as directed by that Obligor, either:

- 6.1.1 release entirely from the Security constituted by the Security Documents; or
- 6.1.2 re-allocate from an Apportioned Part to the Unallocated Charged Properties or to another Apportioned Part;

such of the Charged Properties charged by that Obligor as may be selected by that Obligor provided that:

- 6.1.3 in relation to the release or re-allocation of Unallocated Charged Properties, no Enforcement Event or Potential Enforcement Event has occurred and is continuing at that time or would result from such release or re-allocation, as certified to the Security Trustee by two authorised representatives of the relevant Obligor;
- 6.1.4 in relation to the release or re-allocation of NAB Charged Properties, such requirements as are imposed by the NAB Administration Agreement have been satisfied; or
- 6.1.5 in relation to the release or re-allocation of SAB Charged Properties:
 - (a) the Security Trustee has received from such Obligor in relation to the relevant Apportioned Part a Valuation of a representative proportion of the Charged Properties comprising that Apportioned Part prepared by the Valuer in accordance with Valuation Basis I, Valuation Basis II, Valuation Basis III or Valuation Basis IV, as applicable, dated within the nine months preceding the Obligor's request;
 - (b) the Valuation referred to in Clause 6.1.5(a) confirms that the relevant Asset Cover Covenants will not be breached after the release or re-allocation, as the case may be, of the relevant Security Assets; and
 - (c) no Enforcement Event or Potential Enforcement Event has occurred and is continuing at that time or would result from such release or re-allocation,

in each case to the satisfaction of the relevant SAB Beneficiaries provided that the confirmation of such satisfaction of the relevant SAB Beneficiaries shall not be unreasonably withheld or delayed.

6.2 **Substitution of Security Assets**

Notwithstanding any provision of Clause 5 (*Apportionment of Charged Properties*), each Obligor shall be entitled to give instructions to the Security Trustee to either:

- 6.2.1 release a Charged Property from the Security Documents entirely; or
- 6.2.2 re-allocate a Charged Property from an Apportioned Part to the Unallocated Charged Properties or another Apportioned Part;

provided that, in substitution:

- 6.2.3 such Obligor grants a Fixed Charge over a substitute property of an equivalent Value:
 - (a) in the case of the Unallocated Charged Properties, acceptable to the Security Trustee;
 - (b) in the case of NAB Charged Properties, in accordance with the NAB Administration Agreement; and
 - (c) in the case of SAB Charged Properties, acceptable to the relevant SAB Beneficiaries provided that the confirmation of such acceptance by the relevant SAB Beneficiaries shall not be unreasonably withheld or delayed, or
- 6.2.4 deposits monies in the relevant Charged Account in accordance with the relevant Finance Document (whereupon the relevant Obligor shall notify the Security Trustee of the amount of such deposit and the Finance Beneficiary holding an Account Charge over such deposit),

in each case provided that:

- 6.2.5 in relation to Unallocated Charged Properties, no Enforcement Event or Potential Enforcement Event has occurred and is continuing at the relevant time (as certified to the Security Trustee by any two authorised officers of the relevant Obligor);
- 6.2.6 in relation to NAB Charged Properties, such requirements as are imposed by the NAB Administration Agreement have been satisfied; and
- 6.2.7 in relation to SAB Charged Properties:
 - (a) the relevant Asset Cover Covenants will not be breached at the time of, and immediately following, such substitution; and
 - (b) no Enforcement Event or Potential Enforcement Event has occurred and is continuing at that time or would result from such substitution,

in each case to the satisfaction of the relevant SAB Beneficiaries provided that the confirmation of such satisfaction of the relevant SAB Beneficiaries shall not be unreasonably withheld or delayed.

6.3 Effect of Release

Upon the release or re-allocation of any Charged Property pursuant to Clause 6.1 (*Release of Security Assets*) or Clause 6.2 (*Substitution of Security Assets*), such Charged Property shall, upon release and as the case may be:

- 6.3.1 become an Unallocated Charged Property; or
- 6.3.2 be allocated to another Apportioned Part; or
- 6.3.3 be entirely withdrawn from the Charged Properties and the Security Trustee shall execute such documents as are required by the relevant Obligor to give effect to such release,

and the Security Trustee shall deliver a revised Apportionment Certificate to each relevant Finance Beneficiary in accordance with Clause 5.4 (*Delivery of Revised Apportionment Certificates*).

6.4 Right-to-Buy or Shared Ownership Sale

Any disposal or release of a Charged Property by an Obligor pursuant to a Right-to-Buy or a Shared Ownership Sale in accordance with the relevant Finance Document shall not be subject to the requirements of this Clause 6 (*Release and Substitution of Charged Properties*).

6.5 Representative Cross-Section

Notwithstanding the release, re-allocation or substitution of any Charged Properties pursuant to this Clause 6 (*Release and Substitution of Security Assets*), the Obligors shall ensure that, at all times, the NAB Charged Properties are a representative cross-section of all the completed residential properties of those Obligors (having regard to relevant factors including the age, type, geographic location, tenancy type and condition of the NAB Charged Properties). The Security Trustee shall have no obligation or be liable for monitoring any compliance by the Obligors of their obligations under this Clause 6.4 (*Representative Cross-Section*).

7. DEFAULT PROCEDURE

7.1 Notification of service of Enforcement Notice

Subject to the relevant NAB Beneficiary's rights pursuant to the NAB Administration Agreement, if any Finance Beneficiary serves notice of an Enforcement Event on an Obligor under a Finance Document and decides to enforce the Security in respect thereof, it shall promptly notify the Security Trustee of the same and the Security Trustee shall forthwith notify the remainder of the Finance Beneficiaries and each Obligor of receipt of such notice.

7.2 Enforcement by Security Trustee

In relation to an Apportioned Part allocated to a Finance Beneficiary, the Security Trustee shall, if so instructed by that Finance Beneficiary, enforce the relevant Rights in accordance with the instructions of that Finance Beneficiary provided that the Security Trustee shall be entitled to decline to take any action to enforce any security

unless indemnified and/or secured to its satisfaction against all costs, claims and expenses (including any costs award which may be made against it as a result of any such action or proceedings not being successful).

7.3 Provision of information to Security Trustee

Following notification pursuant to Clause 7.1 (*Notification of service of Enforcement Notice*), each Finance Beneficiary shall within three Business Days provide to the Security Trustee the information required pursuant to Clause 3.4 (*Information*).

8. APPLICATION OF PROCEEDS

8.1 Moneys received by Security Trustee

Any moneys received by the Security Trustee pursuant to the Security Documents or by any Receiver appointed pursuant to any Security Document shall be applied by the Security Trustee in accordance with Clause 8.2 (*Application of proceeds relating to SAB Beneficiaries*), Clause 8.3 (*Application of Proceeds of Unallocated Charged Properties and Old Ford Floating Charge*), Clause 8.5 (*Further distribution of Proceeds*) and, where applicable, in accordance with the NAB Administration Agreement.

8.2 Application of Proceeds relating to SAB Beneficiaries

Upon the enforcement of any of the Security in respect of an SAB Beneficiary's Apportioned Part, and after satisfying claims which at law rank in priority to sums owing to that SAB Beneficiary, the Security Trustee shall apply the Proceeds relating to that Apportioned Part:

- 8.2.1 first, in or towards payment of all Relevant Trustee Costs relating to that Apportioned Part and to the extent the Security Trustee has received payment from a Finance Beneficiary pursuant to an indemnity, the Security Trustee will pay such Proceeds to that Finance Beneficiary to the extent of such indemnity payment;
- 8.2.2 secondly, in or toward payment *pari passu* on a *pro rata* basis of that SAB Beneficiary's Proportionate Share of any Specific Expenses relating to such SAB Beneficiary's Apportioned Part;
- 8.2.3 thirdly, in or toward payment of the Secured Obligations owed to such SAB Beneficiary arising under or in connection with the Relevant Documents to which that Apportioned Part relates; and
- 8.2.4 fourthly, in or toward payment of the Secured Obligations of each other Security Beneficiary arising under or in connection with the Relevant Documents in accordance with Clause 8.5 (*Further distribution of Proceeds*); and
- 8.2.5 fifthly, in payment of the surplus (if any), to the Obligor against which such Security is being enforced.

8.3 Application of Proceeds relating to the NAB Charged Properties

Upon the enforcement of any of the Security in respect of the NAB Charged Properties, the proceeds thereof shall be applied in accordance with the NAB Administration Agreement.

8.4 Application of Proceeds of Unallocated Charged Properties and Old Ford Floating Charge

Upon the enforcement of any of the Security in respect of the Unallocated Charged Properties and/or the Old Ford Floating Charge, and after satisfying claims which at law rank in priority to such Security, the Security Trustee shall apply the Proceeds relating to the Unallocated Charged Properties and the Old Ford Floating Charge:

- 8.4.1 first, in or towards payment of all Relevant Trustee Costs and any other amounts owing to the Security Trustee relating to the Unallocated Charged Properties and the Old Ford Floating Charge;
- 8.4.2 secondly, in or toward payment of the Secured Obligations of each Security Beneficiary arising under or in connection with the Relevant Documents in accordance with Clause 8.5 (*Further distribution of Proceeds*); and
- 8.4.3 thirdly, in payment of the surplus (if any), to the Obligor to which such Security is being enforced.

8.5 Further distribution of Proceeds

Any Proceeds received by the Security Trustee or by any receiver appointed pursuant to any Security Document and referred to in Clauses 8.2.4 and 8.4.2 and any excess Proceeds after application in accordance with the NAB Administration Agreement shall be applied by the Security Trustee in the following order of priority:

- 8.5.1 first, in or toward payment of any Trustee Costs not already satisfied pursuant to Clause 8.2 (*Application of Proceeds relating to SAB Beneficiaries*), Clause 8.3 (*Application of Proceeds of Unallocated Charged Properties and Old Ford Floating Charge*) and the NAB Administration Agreement;
- 8.5.2 secondly, in or toward payment *pari passu* on a *pro rata* basis of any Specific Expenses and Surveyor's Expenses relating to the Charged Properties not already satisfied pursuant to Clause 8.2 (*Application of Proceeds relating to SAB Beneficiaries*), Clause 8.3 (*Application of Proceeds relating to the NAB Charged Properties*) and Clause 8.4 (*Application of Proceeds of Unallocated Charged Properties and Old Ford Floating Charge*); and
- 8.5.3 thirdly, by allocating the balance among the Finance Beneficiaries whose Secured Obligations have not been fully discharged under Clause 8.2 (*Application of Proceeds relating to SAB Beneficiaries*), Clause 8.3 (*Application of Proceeds relating to the NAB Charged Properties*) and Clause 8.4 (*Application of Proceeds of Unallocated Charged Properties and Old Ford Floating Charge*) by reference to their Proportionate Share so that the amount

allocated to each such Finance Beneficiary shall be applied in satisfaction of the Secured Obligations owed to such Finance Beneficiary.

8.6 Release of Fixed Charges by Security Trustee

Subject to Clause 17 (*Winding Up of Trust*), in the event that the Security Trustee enforces any of the Security comprising the Charged Properties, it will release the Fixed Charges over any part of the Charged Properties which are not required for the purpose of satisfying the payments referred to in this Clause 8 (*Application of Proceeds*).

8.7 Assets excluded from enforcement

The Excluded Assets shall be excluded from the Proceeds for the purposes of the applications referred to in Clause 8 (*Application of Proceeds*) and any proceeds arising from the Excluded Assets, if any, shall be applied by the Finance Beneficiaries against Secured Obligations in accordance with the provisions of the applicable Relevant Document.

9. ACTIVITIES OF THE SECURITY TRUSTEE

9.1 Appointment of Security Trustee

Each of the Finance Beneficiaries irrevocably appoints the Security Trustee to act as its trustee under and in connection with the Relevant Documents to which it is party, and irrevocably authorises the Security Trustee on its behalf to perform the duties and to exercise the rights, powers and discretions that are specifically delegated to it under or in connection with such Relevant Documents together with any other incidental rights, powers and discretions. The Security Trustee has those duties which are expressly specified in such Security Documents and the Group Borrower Security Deed, and those duties are solely of a mechanical and administrative nature. Unless otherwise expressly provided or otherwise agreed by each Finance Beneficiary, the Security Trustee shall perform such duties and exercise all such rights, powers and discretions in accordance with the instructions of the relevant Finance Beneficiary in respect of the relevant Obligor Liabilities and/or Relevant Documents.

9.2 Required Actions

The Security Trustee shall only be required to take any action to enforce or protect the Security created by any Security Document or the Group Borrower Security Deed if instructed to do so by a Finance Beneficiary in relation to the relevant Finance Document and may refrain from exercising any right, power or discretion vested in it by any Relevant Document unless and until instructed by that Finance Beneficiary as to whether or not any such right, power or discretion is to be exercised and as to the manner in which it should be exercised and subject always to the provisions of this Deed. The Security Trustee shall be entitled to seek instructions from the relevant Finance Beneficiary 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 that Finance Beneficiary. The Security Trustee shall be entitled to seek clarification from the relevant Finance Beneficiary with regard to any such instructions (including any conflicting instructions received by it from such Finance Beneficiary) and may in its

discretion elect not to act pending receipt of such clarification to its reasonable satisfaction from each such Finance Beneficiary.

9.3 Discretions and Duties

The Security Trustee shall:

- 9.3.1 promptly send to each relevant Finance Beneficiary details of each communication received by it from an Obligor under any of the Relevant Documents;
- 9.3.2 promptly inform each relevant Finance Beneficiary of any matter of which it or its agents (acting in that capacity) becomes expressly aware which adversely affects the SAB Charged Properties including, without limitation, any disposal (except any disposal permitted by this Deed) of an SAB Charged Property or the attachment of any Encumbrance to such SAB Charged Property by the operation of law and/or any notifications received by the Land Registry;
- 9.3.3 save as otherwise expressly provided in any of the Relevant 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 its own fraud, gross negligence or wilful default.

9.4 Protections

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

- 9.4.1 the Security Trustee may in relation to any of the Relevant Documents, obtain, pay for and act on the opinion or advice of or any information obtained from any lawyer, valuers, surveyor, broker, auctioneer, accountant or other expert whether obtained by any Obligor, any Finance Beneficiary or by the Security Trustee or otherwise and shall not be responsible for any loss occasioned by so acting;
- 9.4.2 any opinion, advice or information obtained pursuant to Clause 9.4.1 may be sent or obtained by letter, facsimile transmission, telephone or other means and the Security Trustee shall not be liable for acting on any opinion, advice or information purporting to be so conveyed or any other document purporting to be conveyed from any Finance Beneficiary or any Obligor although, in any such case, the same shall contain some error or shall not be authentic;
- 9.4.3 the Security Trustee may call for and shall be at liberty to accept as sufficient evidence a certificate signed by any two members of the Board of Directors (or equivalent) of an Obligor or Finance Beneficiary (or any sub committee authorised thereby), as the case may be, to the effect that any particular dealing, transaction, step or thing is in the opinion of the persons so certifying

suitable or expedient or as to any other fact or matter upon which the Security Trustee may require to be satisfied. The Security Trustee shall be in no way bound to call for further evidence or be responsible for any loss that may be occasioned by acting on any such certificate although the same shall contain some error or shall not be authentic;

- 9.4.4 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 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;
- 9.4.5 the Security Trustee shall not be liable for any failure, omission or defect in perfecting the security constituted by any of the Relevant Documents including, without prejudice to the generality of the foregoing:
 - (a) failure to obtain any licence, consent or other authority for the execution of any Relevant Document; and
 - (b) failure to register the same in accordance with the provisions of any of the documents of title of the relevant Obligor to any of the Security;
- 9.4.6 the Security Trustee shall accept without enquiry, requisition, objection or investigation such title as any Obligor may have to the Security Assets or any part thereof;
- 9.4.7 the Security Trustee will not be liable for any failure, omission or defect in perfecting the security constituted by any Relevant Document, including failure to (a) register the same in accordance with the provisions of any of the documents of title of any Obligor to any of the property thereby charged or (b) effect or procure registration of or otherwise protect any Relevant Document or any security created by a Security Document or the Group Borrower Security Deed under the Land Registration Acts 1925-1988 or any other registration laws in any jurisdiction;
- 9.4.8 the Security Trustee shall be at liberty to place any of the Security Documents, the Group Borrower Security Deed and any other instruments, documents or deeds delivered to it pursuant to or in connection with any of the Security Documents or the Group Borrower Security Deed 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, or any reputable firm of lawyers, or any company whose business includes the safe custody of documents, or, in respect of any insurance policies, to place the policy documents with any reputable insurance broker, and shall not be responsible for any loss thereby incurred and, without prejudice to the foregoing, an Obligor'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 the Group Borrower Security Deed provided that such lawyers undertake to hold such instruments, deeds or documents to the order of the Security Trustee;

- 9.4.9 save as otherwise provided in any Security Document or the Group Borrower Security Deed, all moneys which under the trusts herein contained are received by the Security Trustee may be invested in the name of or under the control of the Security Trustee in any investment for the time being authorised by English law for the investment by trustees of trust moneys or in any other investments, whether similar to the aforesaid or not, which may be selected by the Security Trustee or by placing the same on deposit in the name of or under the control of the Security Trustee at such bank or institution (including the Security Trustee) as the Security Trustee may think fit, 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 shall not be responsible for any loss occasioned thereby whether by depreciation in value, fluctuation in exchange rates or otherwise;
- 9.4.10 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 under the Relevant Documents including, without limitation, the receipt and payment of money and any agent being a solicitor, broker or other person engaged in any profession or business shall be entitled to be paid all usual professional and other charges for business transacted and acts done by him or any partner or employee of his in connection with the trusts hereof. The Security Trustee shall not be liable for the acts or omissions of such person provided that the Security Trustee has exercised all reasonable care in the selection of such person;
- 9.4.11 the Security Trustee shall have only those duties, obligations and responsibilities expressly specified in the Relevant Documents and shall not have any implied duties, obligations and responsibilities;
- 9.4.12 the Security Trustee shall not be under any obligation to insure any of the Trust Property or any deeds or documents of title or other evidence in respect thereof and shall not be responsible for any loss, expense or liability which may be suffered as a result of the lack of or inadequacy of any such insurance;
- 9.4.13 no provision of any Relevant Document or any document referred to therein shall require the Security Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for

believing that repayment of such funds or adequate indemnity and/or security against such risk or liability is not assured to it;

- 9.4.14 the Security Trustee shall not be responsible for the legality, validity, effectiveness, suitability, adequacy or enforceability of any Relevant Document or other documents entered into in connection therewith or any other document or any obligation or rights created or purported to be created thereby or pursuant thereto or any security or the priority thereof constituted or purported to be constituted thereby or pursuant thereto, nor shall it be responsible or liable to any person because of any invalidity of any provision of such documents or the unenforceability thereof, whether arising from statute, law or decision of any court;
- 9.4.15 neither the Security Trustee nor any of its directors or officers shall by reason of the fiduciary position of the Security Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with any Obligor, Finance Beneficiary or any person or body corporate directly or indirectly associated with any of them, or from accepting the trusteeship of any other debenture stock, debentures or security of any Obligor or any person or body corporate directly or indirectly associated with any of them, and neither the Security Trustee nor any such director or officer shall be accountable to any Obligor or Finance 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 shall also be at liberty to retain the same for its or his own benefit;
- 9.4.16 except as herein expressly provided, the Security Trustee is hereby authorised and it shall be entitled to assume without enquiry (in the absence of knowledge by or an express notice to it to the contrary) that no Enforcement Event or Potential Enforcement Event has occurred and each Obligor 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;
- 9.4.17 where under any Relevant Document any action, approval, consent or authorisation of or by the Security Trustee requires the consent of any Finance Beneficiary, the Security Trustee will not undertake that action or grant that approval, consent or authorisation without first obtaining such consent;
- 9.4.18 unless otherwise specifically stated in any discharge of this Deed, the provisions of this Clause 9 (*Activities of the Security Trustee*) shall continue in full force and effect notwithstanding such discharge; and
- 9.4.19 subject to Section 192 of the Companies Act 1985 (if applicable) and notwithstanding anything to the contrary in the Relevant Documents, the Security Trustee shall not be liable to any person for any matter or thing done

or omitted in any way in connection with or in relation to the Relevant Documents save in relation to its own gross negligence, wilful default or fraud.

9.5 Appointment of Security Agent

The Finance Beneficiaries with the prior written consent of the Group Borrower, the Obligors and the Security Trustee may together appoint a Security Agent pursuant to a Security Agent Appointment Agreement to carry out certain functions and duties prescribed in a Relevant Document to be carried out by the Security Trustee in the place of the Security Trustee.

9.6 Indemnities

Without prejudice to the obligations of the Obligors to indemnify the Security Trustee under this Deed:

- 9.6.1 each of the Finance Beneficiaries hereby undertakes severally to indemnify and hold harmless the Security Trustee against all Relevant Trustee Costs and Surveyor's Expenses in respect of that Finance Beneficiary's Proportionate Share, save to the extent such amounts have been met by the Obligors under Clause 10.1.4. Provided that the Relevant Trustee Costs and/or Surveyor's Expenses which are due and payable in respect of an Apportioned Part have been met, the Security Trustee shall not refuse to act in relation to that Apportioned Part;
- 9.6.2 no Finance Beneficiary will be obliged to indemnify the Security Trustee under Clause 9.6.1 in respect of any documents relating to, or any properties, cash or Rights comprised in, the Unallocated Charged Properties or any Apportioned Part other than such Apportioned Part as relates to the Funding Agreement, Issuer Loan Agreement or Direct Facility Agreement in respect of which the Finance Beneficiaries are interested;
- 9.6.3 each Obligor shall indemnify each Finance Beneficiary from and against any liability paid by such Finance Beneficiary under Clauses 9.6.1; and
- 9.6.4 for the avoidance of doubt, the Obligors alone shall be solely responsible for the payment of all Relevant Trustee Costs or Specific Expenses which relate to the Unallocated Charged Properties and the Finance Beneficiaries will have no liability in respect of such Relevant Trustee Costs or Specific Expenses.

10. REMUNERATION OF THE SECURITY TRUSTEE

- 10.1.1 The Obligors jointly and severally undertake that they will (subject as hereinafter provided) pay to the Security Trustee commencing on the date hereof until the trusts hereof shall be finally wound-up an annual fee calculated at such rate or in such amount as may be agreed from time to time between the Obligors and the Security Trustee and shall be payable on such date or dates in each year as may from time to time be agreed between the Obligors and the Security Trustee.

10.1.2 If the Security Trustee:

- (a) determines or is required to enforce any of the Security Documents or the Group Borrower Security Deed; or
- (b) considers it expedient or necessary, or is required to undertake duties which are of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee under the Relevant Documents,

each of the Obligors shall pay to the Security Trustee such additional remuneration as may be agreed between them and the Security Trustee. If the Security Trustee and each of the Obligors 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 the Relevant Documents, or fail to agree upon such additional remuneration, 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 each of the Obligors (such approval shall 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 shall be final and binding on each of the Obligors and the Security Trustee and the expenses involved in such nomination and the fees of such investment bank shall be paid by the Obligors.

10.1.3 In addition to remuneration hereunder, each Obligor shall, on written request, pay or discharge all costs, charges and expenses including but not limited to legal and travelling expenses (and any stamp, registration, documentary and other taxes or duties) which the Security Trustee may properly incur in relation to the preparation and execution of any Relevant Document and the exercise of powers or the performance of its duties under, and in any other manner in relation to or under any Relevant Document.

10.1.4 Without prejudice to any indemnity contained in any Relevant Document, the Obligors jointly and severally undertake that they will indemnify the Security Trustee:

- (a) in respect of all liabilities and all costs, losses, claims, damages and expenses (including any claims the Obligors 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 or by any person (including, without limitation, a receiver) appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by any Relevant Document or any document relating to any Unallocated Charged Properties or Excluded Assets; and

(b) against all liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted by the Security Trustee or by any person in any way in relation to any of the Relevant Documents or any document relating to any Unallocated Charged Properties or Excluded Assets save where the same has arisen from the Security Trustee's fraud, gross negligence or wilful default.

10.1.5 All sums payable under Clause 10.1.3 and Clause 10.1.4 shall be payable within seven days of written demand thereof.

10.1.6 All sums payable by an Obligor under this Clause 10 (*Remuneration of the Security Trustee*) shall carry interest at the Default Rate from the date thirty days after the date on which the same become due 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.

10.1.7 The Obligors shall in addition pay to the Security Trustee (if so required) an amount equal to the amount of any value added tax or similar tax charged in respect of its remuneration hereunder.

11. APPOINTMENT OF ADDITIONAL TRUSTEES

11.1 Appointment of separate or co-trustee

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 Finance 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 shall give notice to each Obligor and each Finance Beneficiary of any such appointment.

11.2 Powers of separate or co-trustee

Any person so appointed shall have such powers, authorities and discretions and such duties and obligations as shall be conferred or imposed on such person by the instrument of appointment and shall have the same benefits under Clause 9 (*Activities of the Security Trustee*) as the Security Trustee and the Security Trustee shall have power in like manner to remove any person so appointed.

11.3 Remuneration of separate or co-trustee

The Security Trustee may pay to any person appointed pursuant to Clause 11.1 (*Appointment of separate or co-trustee*) any remuneration which has been previously approved by the Finance Beneficiaries and the Obligors (acting reasonably) and any such remuneration, costs, charges and expenses incurred by such person in performing its functions pursuant to such appointment, shall for the purposes hereof be treated as

costs, charges and expenses incurred by the Security Trustee in performing its function as trustee hereunder.

12. NATURE OF OBLIGORS' RIGHTS AND OBLIGATIONS

12.1 Accuracy of Obligor information

The Finance Beneficiaries are entitled to assume that any information, notice, request or other communication delivered by an Obligor under any Relevant Document is true and accurate and it is hereby understood and agreed that neither the Security Trustee nor any of the Finance Beneficiaries are obligated to enquire whether any consent or approval has been obtained in relation thereto or to act on any notice, request or other communication received from any Obligor in relation to any such matters, save to the extent expressly required by the Obligor Conditions Precedent.

12.2 Acknowledgement of the provisions of this Deed

Each Obligor is a party to this Deed for the purpose of acknowledging the provisions hereof and the priorities herein recorded. Accordingly, each Obligor undertakes for itself and on behalf of each other Obligor with each Security Beneficiary 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 or result in a breach of or is otherwise contrary to the terms of its obligations under this Deed.

13. MODIFICATION

The Security Trustee may from time to time with the prior written consent of each Finance Beneficiary and each Obligor make any modification, variation or amendment to any term of this Deed and/or any Security Document (other than this Deed) and/or the Group Borrower Security Deed provided that amendments (other than to this Deed) which do not, in the opinion of the Security Trustee, materially prejudice the interests of a Finance Beneficiary do not require the consent of that Finance Beneficiary. Subject to any additional requirements imposed by the relevant Security Document, any such modification, variation or amendment shall be binding on all parties and the Security Trustee shall notify the other parties of the same as soon as reasonably practicable.

14. BENEFIT OF AGREEMENT

This Deed shall be binding on and enure to the benefit of each party hereto.

15. RESIGNATION OF SECURITY TRUSTEE

15.1 Voluntary resignation of Security Trustee

The Security Trustee may resign by giving not less than three months' prior written notice to the Finance Beneficiaries and the Obligors, without giving any reason and without being responsible for any costs occasioned by such retirement.

15.2 Removal of Security Trustee by notice

15.2.1 The Obligors may remove the Security Trustee provided that:

- (a) the Obligors are acting unanimously and with the prior written consent of a Majority of the Finance Beneficiaries; and
- (b) the Obligors give not less than three months' notice of such removal to the Security Trustee.

15.2.2 A Majority of the Finance Beneficiaries may remove the Security Trustee provided that:

- (a) such Finance Beneficiaries are acting only after consultation with the Obligors for a period of five Business Days and consideration of the Obligors' views; and
- (b) such Finance Beneficiaries give not less than one months' notice of such removal to the Security Trustee.

15.3 Appointment of successor Security Trustee

15.3.1 Upon retirement of the Security Trustee in accordance with Clause 15.1 (*Voluntary retirement of Security Trustee*) or removal of the Security Trustee in accordance with Clause 15.2 (*Removal of Security Trustee by notice*), the Finance Beneficiaries, after consultation with the Obligors for a period of 20 Business Days and considering the Obligors' views, shall appoint a successor Security Trustee who has demonstrable expertise in acting as Security Trustee.

15.3.2 If the Finance Beneficiaries have not appointed a successor Security Trustee in accordance with Clause 15.3.1 within 30 days after the notice of resignation or removal, as the case may be, the Security Trustee (after consultation with the Finance Beneficiaries and the Obligors) may appoint any bank, financial institution or appropriately qualified person as a successor Security Trustee (acting through an office in the United Kingdom).

15.4 Timing of retirement

The Security Trustee's resignation or removal shall only take effect once a successor Security Trustee has been appointed and has become bound by the provisions of the Security Documents and the Group Borrower Security Deed whereupon the Security Trustee retiring or being removed shall thereby forthwith be discharged from such provisions.

15.5 Transfer of documents and records

Save as provided in Clause 15.6 (*Costs of removal*), the retiring Security Trustee shall, at the cost of the Obligors, make available to the successor Security Trustee such documents and records and provide such assistance as the successor Security Trustee may reasonably request for the purposes of performing its functions as Security Trustee under the Security Documents and the Group Borrower Security Deed.

15.6 Costs of removal

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

Obligors unless such removal and appointment has been instigated by the Finance Beneficiaries without the consent of the Obligors or of the Security Trustee, in which case the Finance Beneficiaries will bear and will indemnify the Obligors 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. Where such costs are to be borne by the Finance Beneficiaries instigating such removal, such costs shall be borne proportionately by such Finance Beneficiaries based on the value of their Apportioned Parts.

16. NOTICES

16.1 Notices in writing

Each communication to be made hereunder shall be made in writing but, unless otherwise stated, may be made by facsimile or letter.

16.2 Address for delivery

Any communication or document (unless made by facsimile) to be made or delivered by one party to another pursuant to this Deed shall (unless that other party has by fifteen days' written notice to the Security Trustee specified another address) be made or delivered to that other party at the address identified with its signature below (or in any Accession Memorandum) and shall be deemed to have been made or delivered when despatched or (in the case of any communication made by letter) when left at that address or (as the case may be) five days after being deposited in the post postage prepaid in an envelope addressed to it at that address provided that any communication or document to be made or delivered to the Security Trustee shall be effective only when received by the Security Trustee and then only if the same is expressly marked for the attention of the department or officer as the Security Trustee shall from time to time specify for this purpose.

16.3 Notices by facsimile

Any facsimile communication made by one party to another shall be made to that other party at the relevant facsimile number specified by it from time to time for the purpose and shall be deemed to have been received when transmission of such facsimile communication has been completed. Each such facsimile communication, if made to the Security Trustee by an Obligor, shall be signed by the party or parties authorised by that Obligor in the certificate delivered to the Security Trustee in connection with this Deed and shall be expressed to be for the attention of the account officer whose name has been notified for the time being for that purpose by the Security Trustee to that Obligor.

17. WINDING UP OF TRUST

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

18. PERPETUITY PERIOD

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

19. COUNTERPARTS

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

20. POWERS ADDITIONAL

The powers conferred on the Security Trustee in any Relevant Document shall be in addition to any powers which may from time to time be vested in it by general law.

21. DISAPPLICATION

Section 1 of the Trustee Act 2000 shall 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 any Relevant Document, the provisions of such document shall, to the extent allowed by law, prevail and, in the case of inconsistency with the Trustee Act 2000, the provisions of such document shall constitute a restriction or exclusion for the purposes of the Trustee Act 2000.

22. MERGER

Any corporation into which the Security Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Security Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Security Trustee, shall be the successor of the Security Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this clause, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

23. LAW

This Deed and all matters arising from or connected with it are governed by, and shall be construed in accordance with, English law.

24. JURISDICTION

24.1.1 The courts of England have exclusive jurisdiction to settle any Dispute arising out of or in connection with this Deed.

24.1.2 Each party agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party to this Deed will argue to the contrary.

IN WITNESS whereof this Deed was executed and delivered by the parties hereto as a deed the day and year first above written.

SCHEDULE 1
FORM OF ACCESSION MEMORANDUM

THIS DEED dated [•], is supplemental to the security trust deed (the "Security Trust Deed") dated 24 May 2007 and made between, *inter alios*, **PRUDENTIAL TRUSTEE COMPANY LIMITED**, as security trustee, **CIRCLE THIRTY THREE HOUSING TRUST LIMITED**, as Obligor, **WHERRY HOUSING ASSOCIATION LIMITED**, as Obligor, **SOUTH ANGLIA HOUSING LIMITED**, as Obligor and **OLD FORD HOUSING ASSOCIATION**, as Obligor (as the same may from time to time be amended, acceded to, restated, novated or supplemented).

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

[•] (the "New Obligor") 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 Clause 2 (*Accession*) of the Security Trust Deed have been complied with, the New Obligor will become a party to and be bound by and benefit from the Security Trust Deed as an Obligor in respect of the following Designated Document(s):

[•]

The Excluded Assets in relation to the New Obligor are:

[•]

The address for notices to the New Obligor for the purposes of Clause 16 (*Notices*) of the Security Trust Deed is:

[•]

This Deed shall be governed by and construed in accordance with English law.

[The courts of England have exclusive jurisdiction to settle any Dispute arising out of or in connection with this Deed. The New Obligor agrees for the benefit of the Security Trustee that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly agrees that it will not argue to the contrary. The New Obligor hereby appoints [•] of [process agent address] as its process agent in England and Wales.]¹

IN WITNESS WHEREOF this Deed has been executed by the parties hereto as a deed on the day and year first above written.

THE COMMON SEAL of

[new obligor]

was hereunto affixed in the presence of:

¹ Insert if non-English Obligor

Authorised Signatory:

Authorised Signatory/Secretary:

**EXECUTED AS A DEED BY
PRUDENTIAL TRUSTEE COMPANY LIMITED**

By

Director:

Director/Secretary:

SCHEDULE 2

FORM OF NOTICE OF NEW FINANCE BENEFICIARY

THIS NOTICE dated [insert date] is given pursuant to the security trust deed (the "Security Trust Deed") dated 24 May 2007 and made between, *inter alios*, PRUDENTIAL TRUSTEE COMPANY LIMITED, as security trustee, CIRCLE THIRTY THREE HOUSING TRUST LIMITED, as Obligor, WHERRY HOUSING ASSOCIATION LIMITED, as Obligor, SOUTH ANGLIA HOUSING LIMITED, as Obligor and OLD FORD HOUSING ASSOCIATION, as Obligor (as the same may from time to time be amended, acceded to, restated, novated or supplemented).

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

TAKE NOTICE that:

1. It is proposed that [Name of proposed Finance Beneficiary] (the "New Finance Beneficiary") become entitled to the benefit of and bound by its obligations under the Security Trust Deed as a Finance Beneficiary;
2. The New Finance Beneficiary confirms that, upon delivery of this Notice to the Security Trustee, all requirements of Clause 2 (*Accession*) of the Security Trust Deed will have been complied with;
3. Subject to Clause 2.1.3 of the Security Trust Deed, the Security Trust Deed shall be construed for all purposes to that effect from the date on which the Security Trustee receives the documents specified in Clause 2.1.2 of the Security Trust Deed;
4. The Designated Document(s) in relation to the New Finance Beneficiary [is/are]:

[•]

5. The address for notices to the New Finance Beneficiary for the purposes of Clause 16 (*Notices*) of the Security Trust Deed is:

[•]

6. [The courts of England have exclusive jurisdiction to settle any Dispute arising out of or in connection with this Deed. The New Finance Beneficiary agrees for the benefit of the Security Trustee that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly agrees that it will not argue to the contrary. The New Obligor hereby appoints [•] of [process agent address] as its process agent in England and Wales.]²

WHEREBY, by signing below, the Security Trustee confirms that it consents, acknowledges and agrees that the New Finance Beneficiary shall be treated as a Finance Beneficiary for all

² Insert if non-English Obligor

purposes under the Security Trust Deed and is entitled to the benefit thereof and subject to its obligations thereunder.

[*New Finance Beneficiary*]

Authorised Signatory

Acknowledged and agreed by:

PRUDENTIAL TRUSTEE COMPANY LIMITED

By:

Authorised Signatory

SCHEDULE 3

FORM OF NOTICE OF NEW DESIGNATED DOCUMENT

THIS NOTICE dated [insert date] is given pursuant to the security trust deed (the "Security Trust Deed") dated 24 May 2007 and made between, *inter alios*, PRUDENTIAL TRUSTEE COMPANY LIMITED, as security trustee, CIRCLE THIRTY THREE HOUSING TRUST LIMITED, as Obligor, WHERRY HOUSING ASSOCIATION LIMITED, as Obligor, SOUTH ANGLIA HOUSING LIMITED, as Obligor and OLD FORD HOUSING ASSOCIATION, as Obligor (as the same may from time to time be amended, acceded to, restated, novated or supplemented).

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

TAKE NOTICE that:

1. It is acknowledged that [•], a Finance Beneficiary (the "Existing Finance Beneficiary"), has agreed to provide additional [funding/interest rate hedging facilities] to [•] by means of a new [loan agreement/interest rate hedging agreement] and that the obligations of [•], [a Group Borrower/an Obligor], pursuant to such additional [funding/interest rate hedging facilities] will be secured by, *inter alia*, the Security granted under the Security Documents.
2. The new Designated Document in relation to the Existing Finance Beneficiary is the [•] Agreement dated [•] made between [•] and the Existing Finance Beneficiary (the "New Designated Document").
3. The Security Trust Deed shall be construed for all purposes to that effect from the date of execution of this Notice by the Existing Finance Beneficiary and the Security Trustee provided that each of the Obligors shall have prior to execution of this Notice received a copy of the New Designated Document.

WHEREBY, by signing below, the Security Trustee confirms that it consents, acknowledges and agrees that the New Designated Document shall be treated as a Designated Document for all purposes under the Security Trust Deed.

[Existing Finance Beneficiary]

Authorised Signatory

Acknowledged and agreed by:

PRUDENTIAL TRUSTEE COMPANY LIMITED

Authorised Signatory

SCHEDULE 4
FORM OF APPORTIONMENT CERTIFICATE

To: [•] as ["Agent"/"Finance Beneficiary"]

From: Prudential Trustee Company Limited as "Security Trustee"

Prudential Trustee Company Limited in its capacity as Security Trustee pursuant to the security trust deed (the "Security Trust Deed") dated 24 May 2007 made between, *inter alios*, it and Circle Thirty Three Housing Trust Limited, as Obligor, Wherry Housing Association Limited, as Obligor, South Anglia Housing Limited, as Obligor, and Old Ford Housing Association, as Obligor (as the same may from time to time be amended, acceded to, restated, novated or supplemented) delivers this Apportionment Certificate to the [Finance Beneficiary/Agent] pursuant to Clause 5 (*Apportionment of Charged Properties*) of the Security Trust Deed.

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

In accordance with the Security Trust Deed, we confirm that you have been allocated Charged Properties on a Specific Allocation Basis. Your Apportioned Part as at the date of this Certificate is comprised of the SAB Charged Properties listed in the Schedule hereto.

Yours truly,

PRUDENTIAL TRUSTEE COMPANY LIMITED

Authorised Signatory

Acknowledged and agreed by:

[each Obligor to countersign]

Authorised Signatory

SCHEDULE TO APPORTIONMENT CERTIFICATE

Apportioned Part relating to SAB Charged Properties

Legal Owner: [•]

	<u>Property Address</u>
1.	
2.	
3.	
4.	
5.	
6.	
7.	

Legal Owner: [•]

	<u>Property Address</u>
1.	
2.	
3.	
4.	
5.	
6.	
7.	

SCHEDULE 5
FORM OF SECURITY CERTIFICATE

TO: [Name of Finance Beneficiary]

Date: [•]

Prudential Trustee Company Limited in its capacity as Security Trustee pursuant to the security trust deed (the "Security Trust Deed") dated the 24 May 2007 made between, *inter alios*, it and Circle Thirty Three Housing Trust Limited, as Obligor, Wherry Housing Association Limited, as Obligor, South Anglia Housing Limited, as Obligor, and Old Ford Housing Association, as Obligor (as the same may from time to time be amended, acceded to, restated, novated or supplemented) hereby confirms the following:

1. [•] (as "Obligor") has executed and entered into a [Supplemental] Fixed Charge dated [•] in favour of the Security Trustee over the property listed in the schedule to this Security Certificate (the "Charged Property").
2. The documents delivered as conditions precedent in respect of the Charged Property under clause 2 (*Accession*) of the Security Trust Deed, are available for inspection at the offices of [Devonshires Solicitors][the Obligor].
3. Copies of correspondence between us and the Obligor, and information received by us from the Obligor, in each case relating to the Charged Property since execution of the relevant Fixed Charge are available for inspection at our office at Laurence Pountney Hill, London EC4R 0HH.

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

PRUDENTIAL TRUSTEE COMPANY LIMITED

Authorised Signatory

SCHEDULE TO SECURITY CERTIFICATE
(Details of Charged Property)

SCHEDULE 6
FORM OF CERTIFICATE OF TITLE

SCHEDULE 7
FORM OF FIXED CHARGE

SCHEDULE 8
FORM OF SUPPLEMENTAL FIXED CHARGE

SCHEDULE 9
OBLIGOR CONDITIONS PRECEDENT

1. Except as otherwise provided in a relevant Finance Document, a Certificate of Title prepared by Devonshires or another firm of solicitors addressed to the Security Trustee provided that local searches may be obtained 6 months prior to the date of such Certificate of Title.
2. The original of the Fixed Charge or Supplemental Fixed Charge, as the case may be (in respect of the properties to become Charged Properties), executed by each party to it together with all forms, searches, certificates and fees required to register such Fixed Charge or Supplemental Fixed Charge, as the case may be, where appropriate at the FSA or Companies House and the Land Registry and any other appropriate registry (including the application to enter on the Register the restriction against dealings and the obligation to make further advances) or a letter of undertaking from Devonshires or other solicitors to the Obligor addressed to and in a form acceptable to the Security Trustee and, if in relation to a proposed SAB Charged Property, the relevant SAB Beneficiary.
3. A Valuation of the Charged Property prepared by the Valuer in accordance with the selected Valuation Basis addressed to the Security Trustee confirming the Value of the Charged Property and, if applicable, the Apportioned Part, together with a letter prepared by the Valuer, establishing a duty of care to the Security Trustee.
4. A letter of undertaking from the solicitors acting for the Borrower (Devonshires or another firm of solicitors acceptable to the Agent) in a form acceptable to the Security Trustee relating *inter alia* to (a) the registration of the Fixed Charge or Supplemental Fixed Charge, as the case may be, where appropriate at the Financial Services Authority, the Companies Registry and the Land Registry; (b) the title deeds to each Charged Property.
5. Where applicable, if the Charged Property is registered land or an application for first registration has been lodged at the Land Registry in relation thereto, the Land Registry searches affording priority to the Security Trustee for a period of not less than five business days following the date of the relevant Fixed Charge or Supplemental Fixed Charge, as the case may be, relating thereto and revealing no entries adverse to the interests of the Security Trustee and/or to the extent that the Charged Property involves unregistered land, official priority searches of each of the land charges registers against all relevant estate owners which confers a period of priority expiring after the date of the Fixed Charge or Supplemental Fixed Charge, as the case may be, relating thereto and reveals no entries adverse to the interests of the Security Trustee.
6. To the extent not already supplied, copies of policies, certificates or cover notes relating to each contract or policy of insurance taken out by or on behalf of each relevant Obligor, or in which each relevant Obligor has an interest, and which relates to the Charged Property, and evidence satisfactory to the Security Trustee that a note

of the Security Trustee's interest has been endorsed upon each such contract or policy of insurance, unless the policy contains an automatic noting of interests provision.

7. A certified copy of the consent of the Housing Corporation pursuant to Section 9 of the Housing Act to the creation of the relevant Fixed Charge or Supplemental Fixed Charge, as the case may be.
8. Where applicable:
 - (a) a copy of the consent of the Secretary of State under Section 133 of the Housing Act 1988 for the Security Trustee to sell the whole or any part of the Charged Property;
 - (b) a copy of the consent of the Secretary of State under Section 32 to 34 and 43 of the Housing Act 1985 and Section 25 of the Local Government Act 1988; and/or
 - (c) a copy of the consent of the Secretary of State under Section 171(D)(2) and (3) of the Housing Act 1985.
9. A copy of any standard form of tenancy agreement used by the relevant Obligor in respect of the relevant Charged Properties (if not already supplied).
10. Appropriate land registry application forms duly completed (including Forms RX1 and CH2) and land registry fees (including any related fees) or an undertaking to lodge such forms within the relevant priority periods.
11. A certified copy of a resolution of the Board of the relevant Obligor (or of a duly constituted and authorised committee thereof together with a certified copy of a resolution of the Board appointing that committee and establishing its authority):
 - (a) approving the terms of and the entry into of this Deed or the relevant Accession Memorandum, if applicable, and the Fixed Charge or Supplemental Fixed Charge, as the case may be, and resolving that it executes each such document;
 - (b) authorising a specific person or persons to execute each such document on its behalf if it is to be executed by a specified person or persons; or
 - (c) authorising its seal to be affixed to each such document if they are to be executed by that Obligor.
12. Such other documents, reports or opinions (including, without limitation, structural surveys and environmental reports) certificates, consents (including landlord's consents and floating charge holders' consents if applicable), certificates of non-crystallisation of all floating charges in favour of other creditors affecting the property and assets to be charged, notices (including notices to landlords) or assurances as the Security Trustee may request.

13. Where applicable, a copy of any planning permission in respect of the property to be charged.

EXECUTION PAGE


The Security Trustee

**THE COMMON SEAL of
PRUDENTIAL TRUSTEE COMPANY LIMITED**

was hereunto affixed in the presence of:

~~Authorised Signatory:~~

~~Authorised Signatory/Secretary:~~


Sealing Officer

Address: Laurence Pountney Hill

London EC4R 0HH

Fax: 020 7548 3883

Attention: Corporate Trust Manager

Group Borrower

**EXECUTED AS A DEED BY
CIRCLE ANGLIA TREASURY LIMITED**

By


Director:

~~Director/Secretary:~~

Address: 1-3 Highbury Station Road
London N1 1SE

Fax: 020 7288 4001

Attention: Group Finance Director


L. Wykes

Obligor

THE COMMON SEAL of
CIRCLE THIRTY THREE HOUSING TRUST LIMITED

was hereunto affixed in the presence of:

Authorised Signatory:

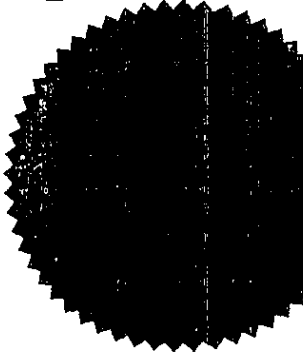
~~Authorised Signatory/Secretary:~~

Address: 1-3 Highbury Station Road
London N1 1SE

Fax: 020 7288 4001

Attention: Group Finance Director

[Signature]
L. Wyllies
7992



Obligor

THE COMMON SEAL of
WHERRY HOUSING ASSOCIATION LIMITED

was hereunto affixed in the presence of:

Authorised Signatory:

~~Authorised Signatory/Secretary:~~

Address: 1-3 Highbury Station Road
London N1 1SE

Fax: 020 7288 4001

Attention: Group Finance Director

[Signature]
L. Wyllies
5367



Obligor

THE COMMON SEAL of
SOUTH ANGLIA HOUSING LIMITED

was hereunto affixed in the presence of:

Authorised Signatory:

~~Authorised Signatory/Secretary:~~

Address: 1-3 Highbury Station Road
London N1 1SE

Fax: 020 7288 4001

Attention: Group Finance Director

[Signature]
L. Wyllies
904



Obligor

EXECUTED AS A DEED BY
OLD FORD HOUSING ASSOCIATION

By

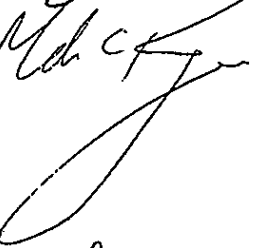
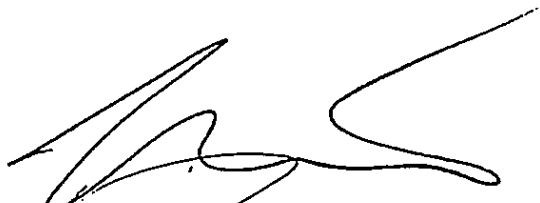
Director: *Authorised Signatory*

Director/Secretary:

Address: 1-3 Highbury Station Road
London N1 1SE

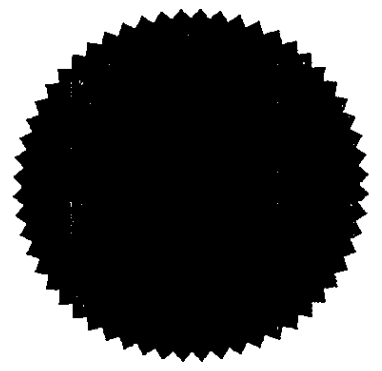
Fax: 020 7288 4001

Attention: Group Finance Director



L. Wyllie

356



**C L I F F O R D
C H A N C E**

CLIFFORD CHANCE LLP

FIXED CHARGE

THIS FIXED CHARGE is made by way of deed on [•].

BETWEEN:

- (1) [•] [[an industrial and provident society formed/a company incorporated] under the laws of England and Wales (registered number [•]) with its registered office at [•]] (the "Chargor"); and
- (2) PRUDENTIAL TRUSTEE COMPANY LIMITED, acting through its office at Laurence Pountney Hill, London EC4R 0HH as trustee for the Security Beneficiaries (the "Security Trustee", which expression shall include any person for the time being appointed as trustee or as an additional trustee of the security hereby created and any subsequent successors, transferees and assigns thereof).

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Fixed Charge, unless the context otherwise requires:

"Assets" means all or any present or future assets, undertakings, properties, revenues and rights of every description;

"Charged Property" means all and any part of the assets and rights expressed to be mortgaged, charged or assigned to or in favour of the Security Trustee under Clause 3 (*Charges*);

"Default" means an Enforcement Event or a Potential Enforcement Event;

"Development" means a project which is undertaken for any development, demolition, construction, refurbishment, alteration, major repair or improvement of the Charged Property;

"Encumbrance" means:

- (a) a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person or granting any security to a third party; or
- (b) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect;

"Finance Beneficiaries" has the meaning given to that term in the Security Trust Deed;

"Fixture" includes all buildings, erections and structures at any time on or in the course of construction on any Charged Property and includes all fixtures, fittings, plant, machinery, equipment, installations and apparatus now and from time to time in or on any Charged Property and belonging to the Chargor;

"Insurance" means all contracts and policies of insurance in connection with the Charged Property which are, from time to time, taken out by or with the authority or on behalf of

for the benefit of the Chargor or (to the extent of such interest) in which the Chargor has an interest;

"Receiver" includes any receiver, administrative receiver, trustee in bankruptcy, administrator, custodian, conservator or other similar person acting jointly or severally;

"Regulation" includes any rule, official directive, notice, statute, statutory instrument, guideline or order (whether or not having the force of law) of any governmental body, agency, department, court, tribunal or regulatory authority or organisation;

"Security Beneficiaries" has the meaning given to that term in the Security Trust Deed;

"Security Trust Deed" means the security trust deed dated 24 May 2007 and made between, *inter alios*, the Chargor and the Security Trustee; and

"Transfer Agreements" means the transfer agreements set out in Schedule 2 (*Details of Transfer Agreements*).

1.2 Terms not defined

Terms not expressly defined herein shall have the meanings set out in the Security Trust Deed.

1.3 Construction

1.3.1 In this Fixed Charge, unless the contrary intention appears, a reference to:

- (a) references to any agreement, contract, deed or document shall be construed as including any amendment, restatement, accession, novation or supplement thereof;
- (b) words importing the singular number include the plural and *vice versa*;
- (c) a clause or a schedule is a reference to a clause of or a schedule to this Fixed Charge;
- (d) a person includes any person, firm, company, corporation, government, state or agency or any association, trust or partnership (whether or not having separate legal personality) or any two or more of the foregoing, and includes the successors and permitted assigns of any of the foregoing;
- (e) any reference in this Fixed Charge to the "Finance Beneficiaries", the "Security Beneficiaries", the "Chargor" or the "Security Trustee" shall be construed so as to include its or their (and any subsequent) successors, transferees and permitted assigns in accordance with their respective interests; and
- (f) a law is a reference to that law as re-enacted, amended or replaced and any regulation made under it.

1.3.2 Headings and sub-headings are for ease of reference only and shall not affect the construction of this Fixed Charge.

- 1.3.3 The terms of the documents under which the Secured Obligations arise and of any side-letter from either party to this Fixed Charge are incorporated in this Fixed Charge to the extent required for any purported disposition of the Property contained in this Fixed Charge to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 1.3.4 If the Security Trustee considers that an amount paid to it or any other Security 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 that amount will not be considered to have been irrevocably paid for the purposes of this Fixed Charge.
- 1.3.5 It is intended by the parties to this Fixed Charge that this document will take effect as a deed.
- 1.3.6 In exercising its rights, powers and discretions under this Fixed Charge, the Security Trustee shall act subject to and in accordance with the Security Trust Deed.
- 1.4 **Third Party Rights**
A person who is not a party to this Fixed Charge has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Fixed Charge.
2. **COVENANT TO PAY**
- 2.1 **Covenant to Pay**
The Chargor hereby covenants with the Security Trustee as trustee for itself and the other Security Beneficiaries that it shall, at the time and in the manner provided in the Relevant Documents relating thereto, discharge all of the Secured Obligations which it may at any time have to the Security Trustee (whether for its own account or as trustee for the other Security Beneficiaries) or to any of the Security Beneficiaries pursuant to the Relevant Documents including any liability in respect of any further advances made thereunder, whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or as surety or in some other capacity) and the Chargor shall pay to the Security Trustee when due and payable every sum at any time owing, due or incurred by it to the Security Trustee (whether for its own account or as trustee for the other Security Beneficiaries) or to any of the other Security Beneficiaries in respect of any such liabilities provided that neither such covenant nor the security constituted by this Fixed Charge shall extend to or include any liability or sum which would, but for this proviso, cause such covenant or security to be unlawful or prohibited by any applicable law.
3. **CHARGES**
- 3.1 **Fixed Charge**
The Chargor with full title guarantee, as security for the payment of all Secured Obligations, charges in favour of the Security Trustee:
- 3.1.1 by way of a first fixed legal mortgage, all and any part of any estate or interest in the property described in the schedule and all buildings, erections, fixtures

and fittings, fixed plant and machinery from time to time on it, the proceeds of sale of it, any deposits which may be forfeited and (so far as they are capable of being charged) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor and any money paid or payable in respect of those covenants, and any Insurance; and

3.1.2 by way of first fixed charge:

- (a) all benefits, claims and returns of premiums in respect of any Insurance; and
- (b) the benefit of all present and future licences, consents, agreements, covenants, rights and authorisations (statutory or otherwise) held in connection with the Charged Property and the use of the Charged Property specified in Clause 3.1.1 and the right to recover and receive all rent, income and compensation which may at any time become payable to it in respect thereof; and
- (c) if and in so far as the legal mortgage set out in Clause 3.1.1 or the assignment set out in Clause 4 (*Assignment*) is, for any reason, ineffective as a legal mortgage or assignment, the Chargor's Assets referred to in those clauses.

4. ASSIGNMENT

4.1.1 The Chargor with full title guarantee, as security for payment of all Secured Obligations, assigns to the Security Trustee all of its rights, title and interest in from time to time and to:

- (a) all present and future income and claims which are earned by or become payable to or for the account of the Chargor in connection with or by reference to the Charged Property (including, without limitation, income from rent, service charges and licence fees) and proceeds of any sale of any interest in the Charged Property;
- (b) the personal agreements and covenants (still subsisting and capable of being enforced) by the tenants, lessees, licensees or other parties under any Approved Tenancy in respect of the Charged Properties and by all guarantors and all security held by the Chargor from time to time, whether present or future, in respect of obligations of the tenants, lessees, licensees or other parties under any Approved Tenancy (including, without limiting the generality of the foregoing, all moneys 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);
- (c) all agreements now or from time to time entered into or to be entered into to enable the charging or assignment by way of security of the Charged Property and for the sale, letting or other disposal or realisation of the whole or any part of the Charged Property (including, without limiting the generality of the foregoing, all moneys 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 including any development agreements, contracts or warranties in relation to the Charged Property the benefit of which is or will be vested in the Chargor (so far as such are assignable);

- (d) 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 Fixed Charge or any such agreement, contract, deed, licence, undertaking, guarantee, covenant, warranty, representation or other document) entered into by or given to the Chargor in respect of the Charged Property including all:
 - (i) 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); and
 - (ii) guarantees, warranties, bonds and representations given or made by, and any rights or remedies against, any designer, builder, contractor, professional adviser, sub-contractor, manufacturer, supplier or installer of any Fixture,

in each case, relating to all or any part of the Charged Property;

- (e) the licences held now or in the future in connection with the Charged 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 Charged Property;
- (f) Insurance relating to the Charged Property and all proceeds paid or payable thereunder (but subject to Clause 6 (*Insurance*));
- (g) the Transfer Agreements relating to the Charged Property;
- (h) all rights and claims to which the Chargor is now or may hereafter become entitled in relation to any development of a Charged Property (including those against all persons who now or may at any time be lessees, sub-lessees or licensees of the Charged Property and all guarantors and sureties for the obligations of such persons) and the benefit of all guarantees, warranties and representations given or made by and any rights or remedies against all or any of the manufacturers, suppliers or installers of any Fixtures in respect of the Charged Property;
- (i) the benefit of all guarantees, warranties and representations given or made now or hereafter by, and any rights or remedies against, all or any of the designers, builders, contractors, professional advisers, sub-contractors, manufacturers, suppliers and installers of any Fixtures in respect of the Charged Property; and

- (j) all rights to which the Chargor is now or may hereafter become entitled in respect of the proceeds of any order of the Court made pursuant to Section 238(3), 239(3) or 244 of the Insolvency Act 1986.

4.1.2 Until this security becomes enforceable the Chargor will be entitled to receive and deal with income from rent, service charges and licence fees from the Charged Property and enforce and enjoy the benefit of all contracts, documents and rights and other items listed in Clause 4.1.1.

5. RESTRICTIONS ON DEALING

The Chargor will not sell, transfer, grant, lease (save an Approved Tenancy) or otherwise dispose of any interest in any Charged Property, or create or permit to subsist any Encumbrance on any of the Charged Properties, except as permitted by any agreement relating to the Secured Obligations. The Chargor's statutory powers of leasing, agreeing to lease and accepting surrenders of leases are excluded.

6. REPRESENTATIONS AND WARRANTIES

The Chargor represents and warrants to the Security Trustee that, except as disclosed in any Certificates of Title and except for the rights of tenants under any Approved Tenancy:

- 6.1.1 it is the absolute legal and beneficial owner of each Charged Property;
- 6.1.2 practical completion of each Charged Property has occurred;
- 6.1.3 there is no breach of any planning legislation, by-laws or local authority or statutory requirements which materially affects or is reasonably likely to materially and adversely affect the Value of a Charged Property;
- 6.1.4 there are no covenants, agreements, stipulations, reservations, conditions, interests, rights (other than nomination rights which do not run with the land) or other matters whatsoever affecting a Charged Property which materially affect or are reasonably likely to materially and adversely affect the Value of such Charged Property;
- 6.1.5 nothing has arisen or been created or is subsisting which would be an overriding interest over any Charged Property;
- 6.1.6 no facilities (other than water, gas, electricity or telephone) necessary for the enjoyment and use of each Charged Property are enjoyed by the Charged Property on terms entitling any person to terminate or curtail its or their use to the extent which such materially affects or is reasonably likely to materially and adversely affect the Value of the Charged Property; and
- 6.1.7 the Chargor has received no notice of any adverse claims by any person in respect of the ownership of a Charged Property nor any interest in it, nor has any acknowledgement been given to any person in respect of it.

7. INSURANCE

7.1 Maintenance of Insurance

The Chargor will maintain Insurances (or procure the maintenance of Insurances by an owner of a superior interest in the Charged Property) in relation to those parts of the Charged Property which are of an insurable nature with reputable underwriters or insurance companies against the risks and to the extent as is usual for non self insuring housing associations carrying on activities such as that carried on by the Chargor.

7.2 Payment of premiums

The Chargor will duly pay all premiums and other moneys necessary for effecting and keeping up such insurance as and when the same become due and will on demand produce to or deposit with the Security Trustee a copy of the policy or policies of such insurance and the receipt for every such payment. All moneys to be received by virtue of any insurance whatsoever on the Charged Property (whether effected or maintained by the Chargor under the obligations contained in this Clause 6 (*Insurance*) or otherwise) shall (without prejudice to any obligation having priority to the obligations hereby imposed) (if in excess of £10,000 per claim or in excess in aggregate amount outstanding at any time of £50,000) be paid to the Security Trustee (and if not paid directly to the Security Trustee by the insurers then the Chargor shall be trustee of the same for the benefit of the Security Trustee and shall account to the Security Trustee accordingly) and (in any amount) shall be applied in making good or in recouping expenditure incurred in making good the loss or damage in respect of which the same were received or in such way as the Security Trustee and Chargor may agree or, after the occurrence of an Enforcement Event if the Security Trustee so directs and the terms of the relevant insurances so permit, (but subject to Clause 14 (*Expenses*) hereof) in discharge or reduction of the Secured Obligations.

7.3 Note of interest

The Chargor will procure that in respect to any insurance in respect of the Charged Property a note of the Security Trustee's interest is endorsed on that policy or those policies unless such insurance provides for automatic noting of the Security Trustee's interest.

7.4 No act to void Insurance

The Chargor shall not do or permit anything in or on or relating to the Charged Property or any part thereof which may make void or voidable any insurance in connection therewith.

7.5 Security Trustee's power to insure

If the Chargor fails to comply with Clause 7.1 (*Maintenance of Insurance*), the Security Trustee may (but shall not be obliged to) effect or renew any insurances as are to be maintained by the Chargor under Clause 7.1 (*Maintenance of Insurance*) either in its own name, in its name and that of the Chargor jointly or in the name of the Chargor with an endorsement of the interest of the Security Trustee. Any moneys expended by the Security Trustee in so effecting or renewing any such Insurances shall be reimbursed by the Chargor to the Security Trustee on demand and until so reimbursed shall carry interest from the date of payment to the date of reimbursement at 0.5% above the base rate of National Westminster Bank at the relevant time. Prior to exercising the powers

conferred on it by this Clause 7.5 (*Security Trustee's power to insure*), the Security Trustee shall be entitled to require that it be provided with such funds by the relevant Finance Beneficiaries as are required to effect or renew the insurances referred to herein and shall have no liability to the relevant Finance Beneficiaries if such Finance Beneficiaries fail to comply with any such request.

8. UNDERTAKINGS

8.1 Repair

The Chargor will keep the Charged Property in good and tenantable repair and condition and adequately and properly decorated and maintained in good working order and condition (save for fair wear and tear) except where the Charged Property is awaiting or is in the course of Development.

8.2 Compliance

The Chargor will:

8.2.1 duly and punctually perform and observe all covenants and stipulations with which it is obliged to comply including any imposed by or contained in any lease, agreement for lease, tenancy agreement, license or other deed of document affecting the Charged Property to the extent that failure to do so would adversely affect the Value of the Charged Property or the enforceability of this Fixed Charge;

8.2.2 pay and indemnify the Security Trustee against all existing and future rents, taxes, rates, duties, fees, charges, assessments, impositions and outgoings whatsoever which now or in the future are properly payable by it in respect of the Charged Property; and

8.2.3 not do or permit anything to be done which could make any lease of the Charged Property liable to forfeiture or to be determined.

8.3 Tax And Outgoings

The Chargor will pay or procure payment of, when due, any present and future tax, levy, impost, deduction, charge, duty and withholding, rate and any charge of a similar nature and any assessments and outgoings (whether parliamentary, parochial, local or of any other description) which may be assessed, charged or imposed on or payable in respect of the Charged Property (except to the extent that payment is being contested in good faith by appropriate proceedings) and will indemnify the Security Trustee (and as a separate covenant, any Receiver appointed by it) in respect thereof and the Security Trustee may retain and pay all sums in respect of the same out of any money received under the powers conferred by this Fixed Charge.

8.4 Use Of Charged Property

The Chargor will use the Charged Property only for the permitted use under or by virtue of any applicable authorisations, consent, approval, licence or planning permission.

8.5 Regulations

The Chargor will duly and punctually perform and observe all its obligations in connection with the Charged Property under any present or future Regulations to the

extent that failure to do so would adversely affect the Value of the Charged Property or the enforceability of this Fixed Charge.

8.6 Development

The Chargor shall not carry out or permit to be carried out any Development having an adverse effect on the Value of any Charged Property:

- 8.6.1 in the case of Unallocated Charged Properties, without the Security Trustee's written prior consent;
- 8.6.2 in the case of the NAB Charged Properties, as prescribed by the NAB Administration Agreement; and
- 8.6.3 in the case of SAB Charged Properties, without the prior consent of the Security Trustee and the relevant SAB Beneficiary.

In determining whether a Development will or will not have an adverse effect on the Value of any Charged Property, the Security Trustee shall be entitled to entirely rely on a Valuation of such Charged Properties made by the Valuer. The Security Trustee shall have no obligation to the Finance Beneficiaries to monitor on an ongoing basis any compliance by the Chargor with its obligations to notify the Security Trustee of any Development having an adverse effect on the Value of any Charged Property pursuant to this Clause 8.6 (*Development*).

8.7 Notices

The Chargor will:

- 8.7.1 notify the Security Trustee (within seven days of receipt by the Chargor) of any application, requirement, order or notice served or given by any person with respect to the Charged Property or its use;
- 8.7.2 produce the original or a copy to the Security Trustee (within seven days of demand); and
- 8.7.3 inform the Security Trustee of the steps taken or proposed to be taken to comply with any such requirement.

8.8 Leases

8.8.1 The Chargor will not grant or agree to grant any lease or tenancy of the Charged Property, accept or agree to accept the surrender or alteration of any lease or tenancy, or confer any contractual licence or right to occupy the Charged Property, except:

- (a) an Approved Tenancy;
- (b) on terms which confer no lesser rights on the Chargor as landlord or Licensor and impose no obligations on the Chargor additional to those set out in the Approved Tenancy; or
- (c) as agreed:

- (i) in the case of Unallocated Charged Properties, without the Security Trustee's written prior consent;
- (ii) in the case of the NAB Charged Properties, as prescribed by the NAB Administration Agreement; and
- (iii) in the case of SAB Charged Properties, with the Security Trustee and the relevant SAB Beneficiary.

8.8.2 If the Security Trustee requires, the Chargor will:

- (a) immediately notify the Security Trustee of all leases, licences or rights to occupy granted by or surrendered to it in relation to the Charged Property;
- (b) provide the originals of them to the Security Trustee; and
- (c) at any time after an Enforcement Event has occurred and while it is continuing, issue irrevocable instructions to the other parties to any lease or licence of the Charged Property to pay rents and sums due under them to the Security Trustee or into any account the Security Trustee may require.

8.8.3 The Security Trustee shall have no obligation to the Finance Beneficiaries to monitor on an ongoing basis any compliance by the Chargor with this Clause 8.8 (*Leases*).

8.9 Access

The Chargor will permit the Security Trustee and any person nominated by it to enter the Charged Property and view it at all reasonable times (provided that reasonable notice has been given by the Security Trustee).

8.10 Investigation of Title

After the occurrence of an Enforcement Event which is continuing, grant the Security Trustee or its lawyers on request all facilities within the power of the Chargor to enable such lawyers to carry out such investigations of title to the Charged Properties and other property which is or may be subject to this Fixed Charge and enquiries into matters in connection therewith as would be carried out by a prudent mortgagee. Such investigations shall be at the expense of the Chargor.

8.11 Land Registry

The Chargor shall not:

- 8.11.1 allow any person other than itself to be registered under the Land Registration Act 2002 as proprietor of the Charged Property or any part of it or create or permit to arise any interest which falls within either or both of Schedules 1 and 3 of the Land Registration Act 2002 affecting such property and the reasonable costs incurred by the Security Trustee or the Finance Beneficiaries of lodging a caution against first registration of the title to such property or a land charge (if registered) or any part of it, shall be an expense properly incurred in relation to this Fixed Charge; and

- 8.11.2 make an application, or consent or concede to the application by any third party, to the Land Registrar to make any entry on the register of title of the Charged Property or any part thereof, as the case may be,

except:

- 8.11.3 in the case of Unallocated Charged Properties, with the Security Trustee's prior written consent;
- 8.11.4 in the case of the NAB Charged Properties, as prescribed by the NAB Administration Agreement; and
- 8.11.5 in the case of SAB Charged Properties, with the prior written consent of the Security Trustee and the relevant SAB Beneficiary,

and the Security Trustee shall have no obligation to the Finance Beneficiaries to monitor on an ongoing basis any compliance by the Chargor with this Clause 8.11 (*Land Registry*).

8.12 Deposit of Title Deeds

The Chargor shall, subject to the terms of the Security Trust Deed deposit with the Security Trustee all deeds and documents of title (including all title information documents) relating to the Charged Property.

8.13 Power to Remedy

- 8.13.1 If the Chargor fails to ensure that the Charged Property is kept in repair and insured or fails to observe or perform any of the covenants or stipulations affecting it or if a Default occurs which is continuing, the Chargor will permit the Security Trustee or any person nominated by it:

- (a) to enter the Charged Property and to comply with or object to any notice served on the Chargor in respect of the Charged Property; and
- (b) to effect any repairs or insurance or generally do any thing or pay any costs, charges and expenses as the Security Trustee considers necessary or desirable to prevent or remedy any breach of covenant or stipulation or to comply with or object to any notice.

- 8.13.2 Prior to exercising the powers conferred on it by this Clause 8.13 (*Power to remedy*), the Security Trustee shall be entitled to require that it be provided with such funds by the relevant Finance Beneficiaries as are required to effect the repairs or insurance or pay the other costs, charges and expenses referred to herein and shall have no liability to the relevant Finance Beneficiaries if such Finance Beneficiaries fail to comply with any such request.

8.14 When security becomes enforceable

- 8.14.1 The security conferred by this Fixed Charge will 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 Fixed Charge) will be immediately exercisable on and after an Enforcement Event has occurred. After the security constituted by this Fixed Charge has become enforceable, the

Security Trustee may subject to and in accordance with the Security Trust Deed enforce all or any part of the security in any manner it sees fit.

8.14.2 At any time after the security hereby constituted shall have become and remains enforceable and without prejudice to Clause 8.14.1, the Security Trustee may without any consent from or notice to the Chargor or any other person enter upon and take possession of the Charged Property or any part thereof and may sell, call in, collect, convert into money, manage or appoint others to manage or otherwise deal with the same or any part thereof in such manner and for such consideration as the Security Trustee shall think fit and with power to sell any of such Charged Property either together or in parcels and either by public auction or private contract either for a lump sum or for a sum payable by instalments or for a sum on account and a Mortgage or charge for the balance and with full power upon every such sale to make any special or other stipulation as to title or evidence of commencement of title or otherwise which the Security Trustee shall deem proper and with full power to buy in or rescind or vary any contract for the sale of the Charged Property or any part thereof and to re-sell the same without in any such case being responsible for any loss which may be occasioned thereby and with full power to compromise and effect compositions and for the purposes aforesaid or any of them to execute and do all such assurances and things as the Security Trustee shall think fit. The Security Trustee may (without prejudice to any right it may have under any other provision of this Fixed Charge) treat such part of the Charged Property as consists of money as if it were the proceeds of such sale or other disposal. The power of sale conferred by Section 101 of the Law of Property Act 1925 and the powers and incidents in reference to sales by mortgagees contained or referred to in Section 104 and sub-sections (3) and (4) of Section 106 of the said Act shall apply and have effect on the footing that the Security Trustee is a mortgagee exercising the power of sale conferred by that Act on mortgagees and that this Fixed Charge is a mortgage within the meaning of that Act.

8.14.3 The expression "consideration" in Clause 8.14.2 hereof shall include not only money but also fully paid shares, stock, debenture stock policies or other property and may consist of all or any of such forms of property including money.

9. ENFORCEMENT OF SECURITY

9.1 Secured Obligations Deemed Due

For the purposes of all powers implied by statute, the Secured Obligations will be deemed to have become due and payable on the date of this Fixed Charge and sections 93, 103 and 109(8) (in so far as it may impose any order of priority in the application of money by a Receiver) of the Law of Property Act 1925 will not apply to this security.

9.2 Extension of Powers of Leasing

The statutory powers of leasing conferred on the Security Trustee will be extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options (with or without a premium) as the Security Trustee may

think fit and without the need to comply with any of the provisions of sections 99 and 100 of the Law of Property Act 1925.

10. RECEIVER

10.1 Appointment of Receiver

At any time after this security becomes enforceable, or if the Chargor so requests, the Security Trustee may without notice and without becoming liable as chargee in possession appoint under seal or in writing under the hand of a duly appointed employee or officer any one or more persons to be a Receiver of all or any part of the Charged Property in every respect as if the Security Trustee had become entitled under the Law of Property Act 1925 to exercise the power of sale conferred by it and so that:

- 10.1.1 such appointment may be made either before or after the Security Trustee shall have entered into or taken possession of the Charged Property or any part thereof;
- 10.1.2 such Receiver may be invested by the Security Trustee pursuant to the powers of delegation hereinafter contained with such powers and discretions exercisable by the Security Trustee hereunder as the Security Trustee may think expedient;
- 10.1.3 unless otherwise directed by the Security Trustee such Receiver may exercise all the powers and authorities vested in the Security Trustee by this Fixed Charge;
- 10.1.4 such Receiver shall in the exercise of his powers, authorities and discretion conform to the regulations and directions from time to time made and given by the Security Trustee;
- 10.1.5 the Security Trustee may from time to time fix the remuneration and agree the expenses of such Receiver and direct payment thereof out of the Charged Property but the Chargor alone shall be liable for such remuneration;
- 10.1.6 the Security Trustee may from time to time and at any time require such Receiver to give security for the due performance of his duties as Receiver and may fix the nature and amount of security to be so given but the Security Trustee shall not be bound in any case to require any such security;
- 10.1.7 such Receiver shall have power to employ or pay or concur in employing or paying any managers, agents or servants for any of the purposes hereinbefore mentioned upon such terms as the Receiver shall think fit and insure any person so employed and any other accountable person against any liability in connection with such employment or with the Charged Property;
- 10.1.8 save as so far directed by the Security Trustee, all monies from time to time received by such Receiver shall be paid over to the Security Trustee;
- 10.1.9 the Security Trustee may pay over to such Receiver any monies constituting part of the Charged Property to the intent that the same may be applied for the purposes hereof by such Receiver and the Security Trustee may from time to

time determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as such Receiver;

10.1.10 the Finance Beneficiaries and the Security Trustee shall in no way be responsible for any misconduct or negligence on the part of any such Receiver;

10.1.11 any such Receiver shall be the agent of the Chargor for all purposes and be in the same position as a Receiver duly appointed by a mortgagee under the Law of Property Act 1925 and as between the Chargor, the Finance Beneficiaries and the Security Trustee, the Chargor alone shall be responsible for the Receiver's acts and defaults and liable on any contracts and engagements made or entered into by him and the Security Trustee shall not in making the appointment or in consenting thereto incur any liability for such acts or defaults or otherwise.

10.2 Powers of Receiver

Every Receiver appointed under Clause 10.1 (*Appointment of Receiver*) will have and be entitled to exercise all of the powers:

10.2.1 of the Security Trustee under this Fixed Charge;

10.2.2 conferred on a Security Trustee or receiver by the Law of Property Act 1925;

10.2.3 set out in schedule 1 of the Insolvency Act 1986 (as amended by the Enterprise Act 2002) and conferred on mortgagees in possession, Administrators and Receivers (as defined therein) as if the word "company" in that schedule read "Chargor"; and

10.2.4 set out below:

- (a) to take possession of, get in and collect the Charged Property;
- (b) to carry on any business of the Chargor carried on by it at the Charged Property as he thinks fit;
- (c) to do all acts which the Chargor might do in the ordinary conduct of its business as well as for the protection or improvement of the Charged Property and to commence and/or complete any building operations on the Charged Property, to acquire property and to apply for and maintain any planning permissions, building regulation approvals and any other authorisations, consent, approval, licence, exemption, filing or registration in each case as he (in his absolute discretion) thinks fit;
- (d) to raise and borrow money for the purpose of exercising any of the powers conferred on such Receiver pursuant to this Fixed Charge either unsecured or, with the consent of the Security Trustee, secured on the Charged Property either in priority to the security constituted by this Fixed Charge or otherwise and generally on such terms and conditions as he may think fit and no person lending money to him will be concerned to enquire as to the propriety or purpose of the exercise of this power or to see to the application of any money raised or borrowed;

- (e) to sell, exchange, convert into money and realise all or any part of the Charged Property by public auction or private contract and generally in the manner and on the terms he thinks proper. 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 consideration may be payable in a lump sum or by instalments spread over any period he thinks fit. Fixtures, other than landlord's Fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor;
- (f) to let the Charged Property for such term and at such rent (with or without a premium) as such Receiver may think proper and to accept a surrender of any lease or tenancy on any terms he thinks fit (including the payment of money on a surrender) and to grant any licence;
- (g) 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 or relating in any way to the Charged Property;
- (h) to bring, prosecute, enforce, defend and abandon any actions, suits, arbitrations, awards and other proceedings in relation to the Charged Property as he sees fit;
- (i) to give valid receipts for all money and execute all assurances and things which may be proper or desirable for realising the Charged Property;
- (j) to do any other acts and things he considers desirable or necessary for realising the Charged Property or incidental or conducive to any of the matters, powers or authorities conferred on a Receiver under or by virtue of this Fixed Charge; to exercise in relation to the Charged Property any powers, authorities and things as he would be capable of exercising if he were the absolute beneficial owner of it (including making value added tax elections or registrations); and to use the name of the Chargor for all or any of such purposes; and
- (k) to appoint and discharge managers, officers, agents, accountants, servants, workmen and others on any terms he thinks proper and to discharge any such persons appointed by the Chargor.

10.3 Removal and Remuneration

The Security Trustee may, from time to time, by writing under the hand of a duly appointed employee or officer (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 deems it expedient, appoint a new Receiver in the place of any Receiver and may, from time to time, fix the remuneration of any Receiver appointed by it.

10.4 Security Trustee May Exercise

All of the powers, authorities and discretions conferred by this Fixed Charge on a Receiver may be exercised by the Security Trustee (and without prejudice to any other right or remedy of the Security Trustee) after the security created by this Fixed Charge becomes enforceable, whether or not it appoints a Receiver.

11. NO LIABILITY AS MORTGAGEE IN POSSESSION

11.1 No Liability

Neither the Security Trustee nor any Receiver appointed under this Fixed Charge will be liable to account as mortgagee in possession or be liable for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

11.2 Chargor's Agent

Every Receiver appointed under this Fixed Charge will be deemed to be:

11.2.1 the agent of the Chargor for all purposes; and

11.2.2 in the same position as a receiver duly appointed by a mortgagee under the Law of Property Act 1925.

11.3 Immunities

The Security Trustee and every Receiver appointed under this Fixed Charge will be entitled to all the rights, powers, privileges and immunities conferred on mortgagees and duly appointed receivers by the Law of Property Act 1925.

12. PROTECTION OF THIRD PARTIES

No purchaser, mortgagee or other person dealing with the Security Trustee or the Receiver appointed under this Fixed Charge or its or his agents will be concerned:

12.1.1 to enquire whether:

- (a) the Secured Obligations have become payable;
- (b) any power which the Receiver is purporting to exercise has become exercisable; or
- (c) any of the Secured Obligations remain due; or

12.1.2 to see the application of any money paid to the Security Trustee or to the Receiver.

13. APPLICATION OF PROCEEDS

Any money received by the Security Trustee or any Receiver appointed under this Fixed Charge will, after the security constituted by this Fixed Charge has become enforceable but subject to the payment of any claims having priority to this security and unless otherwise determined by the Security Trustee or the Receiver, be applied by the Security Trustee in accordance with the Security Trust Deed.

14. EXPENSES

All costs, charges and expenses incurred, all interest accrued and all payments made by the Security Trustee or any Receiver appointed under this Fixed Charge in the lawful exercise of the powers conferred by this Fixed Charge whether or not occasioned by any act, neglect or default of the Chargor will be payable by the Chargor on demand on the basis of a full indemnity and will carry interest (both before and after judgment) in accordance with the provisions of any agreement relating to the Secured Obligations.

15. INDEMNITY

The Security Trustee and every Receiver, and any attorney, manager, agent or other person, appointed under this Fixed Charge will be entitled to be indemnified out of the Charged Property in respect of all liabilities and expenses properly incurred by them in the execution or purported execution of any of the powers, authorities or discretions vested in them under this Fixed Charge and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Charged Property and the Security Trustee and any Receiver may retain and pay all sums in respect of the same out of any money received under the powers conferred by this Fixed Charge.

16. DELEGATION

The Security Trustee may, from time to time, delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by it under this Fixed Charge in relation to the security granted by this Fixed Charge to any person. Any delegation may be made subject to such terms (including power to sub-delegate) and regulations as the Security Trustee may think fit. The Security Trustee will not be in any way liable or responsible to the Chargor for any loss or damage arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

17. REDEMPTION OF PRIOR MORTGAGES

The Security Trustee may, at any time after the security constituted by this Fixed Charge has become enforceable, redeem any prior mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security against the Charged Property or procure the transfer of them to itself and may settle and pass the accounts of the prior mortgagee, chargee or encumbrancer. All principal money, interest, costs, charges and expenses of and incidental to any redemption and transfer will be paid by the Chargor to the Security Trustee on demand. Any accounts so settled and passed will be conclusive and binding on the Chargor except for obvious error.

18. POWER OF ATTORNEY; FURTHER ASSURANCE

18.1 Appointment

The Chargor, by way of security, irrevocably appoints the Security Trustee and every Receiver, delegate or sub-delegate appointed under this Fixed Charge to be its attorney acting severally. The attorney may in the name and on behalf of the Chargor or otherwise;

- 18.1.1 execute and do any assurances, acts and things which the Chargor ought to do under the provisions of this Fixed Charge;
- 18.1.2 make demand on or give notice or receipt to any person owing money to the Chargor;
- 18.1.3 exercise any of the powers, authorities and discretions conferred by this Fixed Charge or by statute on the Chargor or in whatever capacity; and
- 18.1.4 seal, deliver and otherwise perfect any deed, assurance, agreement, instrument or act which it or he reasonably deems proper.

18.2 Ratification

The Chargor ratifies and confirms and agrees to ratify and confirm anything an attorney appointed under Clause 18.1 (*Appointment*) does or purports to do in the exercise or purported exercise of any of the powers, authorities and discretions referred to in Clause 18.1 (*Appointment*).

18.3 Further Assurance

The Chargor shall from time to time and at all times execute and do all such assurances, consents, acts and things as the Security Trustee may properly require for perfecting the security intended to be created by these presents and for facilitating or effecting any dealings by the Security Trustee under the powers of this Fixed Charge as regards the Charged Property.

19. CERTIFICATES AND DETERMINATIONS

Any certification or determination by the Security Trustee of the amount of the secured obligations or any rate or other amount is, in the absence of obvious error, conclusive evidence of the matters to which it relates.

20. WAIVERS

The rights of the Security Trustee under this Fixed Charge:

- 20.1.1 may be exercised as often as necessary;
 - 20.1.2 are cumulative and not exclusive of its rights under general law; and
 - 20.1.3 may be waived only in writing and specifically,
- and delay in exercising or non-exercise of any such right is not a waiver of that right.

21. ASSIGNMENT

The Security Trustee may at any time assign, transfer, novate or dispose of any of, or any interest in, its rights or obligations under this Fixed Charge to any successor Security Trustee appointed in accordance with the Security Trust Deed. The Security Trustee shall be entitled to disclose on a confidential basis such information concerning the Chargor and this Fixed Charge as the Security Trustee considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.

22. SEVERABILITY

If a provision of this Fixed Charge is or becomes illegal, invalid or unenforceable, that will not affect the validity or enforceability of any other provision of this Fixed Charge.

23. CONTINUANCE OF SECURITY

23.1 Continuing Security

The security constituted by this Fixed Charge will be continuing and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part.

23.2 Breaking of Accounts

23.2.1 If for any reason the security constituted by this Fixed Charge ceases to be a continuing security, the Security Trustee may open a new account with or continue any existing account with the Chargor and the liability of the Chargor in respect of the Secured Obligations will remain regardless of any payments in or out of any such account.

23.2.2 If the Security Trustee receives or is deemed to be affected by notice whether actual or constructive of any subsequent charge or other interest affecting any part of the Charged Property and/or the proceeds of sale of them, the Security Trustee may open a new account or accounts with the Chargor. If the Security Trustee does not open a new account it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice and as from that time all payments made to the Security Trustee will be credited or be treated as having been credited to the new account and will not operate to reduce the amount for which this Fixed Charge is security.

23.3 Reinstatement

23.3.1 Where any discharge is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored for any reason, the liability of the Chargor under this Fixed Charge will continue as if the discharge or arrangement had not occurred.

23.3.2 The Security Trustee may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

23.4 Immediate Recourse

The Chargor waives any right it may have of first requiring the Security Trustee to proceed against or enforce any other rights or security or claim payment from any other person before enforcing the security constituted by this Fixed Charge.

23.5 Appropriations

Until all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full, the Security Trustee may:

23.5.1 refrain from applying or enforcing any other money, security or rights held or received by it in respect of the Secured Obligations or apply and enforce them in any manner and order it sees fit (whether against the Secured Obligations or otherwise) and the Chargor will not be entitled to the benefit of them; and

23.5.2 hold any money received from the Chargor or on account of the Chargor's liability in respect of the Secured Obligations in a suspense account. Amounts standing to the credit of any suspense account will bear interest at a rate considered by the Security Trustee to be a fair market rate.

23.6 Final Redemption

The Security Trustee will (on receiving satisfactory evidence that all the Secured Obligations have been paid in full or otherwise satisfied), at the request and cost of the Chargor, promptly execute and do all deeds, acts and things necessary to release the Charged Property from the security constituted by this Fixed Charge.

23.7 Additional Security

The security constituted by this Fixed Charge is in addition to and is not in any way prejudiced by any other Encumbrance held by the Security Trustee now or in the future.

24. NOTICES

24.1.1 All notices, demands, consents, approvals or other communications under or in connection with this Fixed Charge must be made in writing or by fax to be effective. It will be deemed to be made and effective as follows:

- (a) when made by hand, on receipt;
- (b) when made by post, 48 hours after posting;
- (c) when made by fax, on receipt (provided that it is legible and complete).

24.1.2 A communication made on a Saturday, Sunday, bank holiday or other non-business day after 5.00 pm at the place of receipt will be deemed to be made on the next business day. The address and fax number of the Security Trustee and the Chargor for this purpose is, in the case of the Security Trustee, at the Security Trustee's principal office from time to time (or any other address or fax number as the Security Trustee may notify to the Chargor from time to time) and, in the case of the Chargor, any address and fax number in England or Wales as the Chargor may notify to the Security Trustee in writing from time to time or its registered office or principal place of business.

24.1.3 The address and fax number of the Chargor and the Security Trustee are:

[•]

Prudential Trustee Company Limited
Laurence Pountney Hill
London EC4R 0HH
Facsimile: 020 7548 3883

25. LAND REGISTRY

In respect of the Charged Property the title to which is or is to be registered at the Land Registry and in respect of any other registered title(s) against which this Fixed Charge may be noted:

- 25.1.1 the Chargor consents to an application being made on Form RX1 to the Land Registrar for a restriction in the following terms to be entered on the Register of Title relating to the Charged Property:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor of the time being of the charge dated [•] in favour of Prudential Trustee Company Limited referred to in the charges register or, if appropriate, signed on such proprietor's behalf by an authorised officer(s)";

- 25.1.2 the Chargor consents to an application being made to the Land Registry for a note on Form CH2 to be entered on the Register of Title relating to it whereby the Finance Beneficiaries are under an obligation to make further advances to the Group Borrower on the terms and subject to the conditions of any document which creates any of the Secured Obligations or of any other agreement, whether made before or after the date of this Fixed Charge, for the provision of credit by any of the Finance Beneficiaries to the Group Borrower and this Fixed Charge secures those further advances; and

- 25.1.3 the covenants set out in sections 2 to 5 (inclusive) of the Law of Property (Miscellaneous Provisions) Act 1994 are modified and extended by the provisions of this Fixed Charge.

26. DECLARATION

- 26.1.1 The Chargor certifies that:

- (a) the land charged is held by or in trust for a charity by the proprietor and the charity is [an exempt charity][a non-exempt charity but this Fixed Charge is one falling within Section 38(5) of the Charities Act 1993]; and
- (b) the security created by this Fixed Charge does not contravene any of the provisions of the [Industrial and Provident Societies Act 1965][Companies Act 1985] or its [rules][memorandum or articles of association].

- 26.1.2 In this Clause 26 (*Declaration*):

"land charged" means all real property of the Chargor charged to the Security Trustee, from time to time, under Clause 3 (*Charges*); and

"proprietor" means the Chargor.

27. MODIFICATION

Any modification, variation or amendment of this Fixed Charge is valid only if it is in writing and signed by or on behalf of each party hereto.

28. **LAW AND JURISDICTION**

28.1 **Governing law**

This Fixed Charge and all matters arising from or connected with it are governed by, and shall be construed in accordance with, English law.

28.2 **Jurisdiction**

28.2.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Fixed Charge (including a dispute regarding the existence, validity or termination of this Fixed Charge) (a "Dispute").

28.2.2 Each party agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party to this Fixed Charge will argue to the contrary.

29. **COUNTERPARTS**

This Fixed Charge may be executed by the parties hereto on two separate counterparts, each of which, when executed and delivered, shall constitute an original, but both the counterparts shall together constitute one and the same instrument.

IN WITNESS whereof this Fixed Charge has been executed by the parties hereto and is intended to be and is hereby delivered on the date first before written.

The Security Trustee

)	
EXECUTED AS A DEED by)	
PRUDENTIAL TRUSTEE))	Director
COMPANY LIMITED)	
)	
)	Director /Secretary

The Chargor

)	
EXECUTED AS A DEED by)	
[•])	Authorised Signatory
)	
with its common seal hereby affixed)	
in the presence of)	Authorised Signatory/Secretary

SCHEDULE 1
DETAILS OF CHARGED PROPERTY

Property Description

[•]

Land Registry Title Number

[•]

SCHEDULE 2
DETAILS OF TRANSFER AGREEMENTS

[to be inserted]

**C L I F F O R D
C H A N C E**

CLIFFORD CHANCE LLP

**SUPPLEMENTAL FIXED CHARGE
[SUPPLEMENTAL TO A FIXED CHARGE
DATED [•]]**

THIS SUPPLEMENTAL FIXED CHARGE is made by way of deed on [•].

BETWEEN:

- (1) [•] [[an industrial and provident society formed/a company incorporated] under the laws of England and Wales (registered number [•]) with its registered office at [•]] (the "Chargor"); and
- (2) PRUDENTIAL TRUSTEE COMPANY LIMITED, through its office at Laurence Pountney Hill, London EC4R 0HH as trustee for the Security Beneficiaries (the "Security Trustee", which expression shall include any person for the time being appointed as trustee or as an additional trustee of the security hereby created and any subsequent successors, transferees and assigns thereof).

WHEREAS:

- (A) The Chargor granted a fixed charge in favour of the Security Trustee by way of the Original Fixed Charge.
- (B) This Fixed Charge is supplemental to the Original Fixed Charge.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Terms Defined

In this Fixed Charge, unless the context otherwise requires:

"Charged Property" means all and any part of the assets and rights expressed to be mortgaged, charged or assigned to or in favour of the Security Trustee under Clause 2 (*Charges*);

"Original Fixed Charge" means the Fixed Charge dated [•] granted by the Chargor in favour of the Security Trustee;

"Real Property" means the freehold and leasehold property specified in the Schedule (*Details of the Charged Property*);

"Security Period" means the period beginning on the date of this Fixed Charge and ending on the date on which the Security Trustee is satisfied that the Secured Obligations have irrevocably been paid or discharged in full; and

"Transfer Agreements" means the transfer agreements set out in Schedule 2 (*Details of Transfer Agreements*).

1.2 Terms Defined in Original Fixed Charge

Unless defined in this Fixed Charge or the context otherwise requires, a term defined in the Original Fixed Charge has the same meaning in this Fixed Charge or any notice given under or in connection with this Fixed Charge.

1.3 Application of provisions in Original Fixed Charge

Clauses 1.3 (*Construction*), 1.4 (*Third Party Rights*), 2.1 (*Covenant to pay*) and 4 (*Insurance*) to 24 (*Notices*) inclusive of the Original Fixed Charge are deemed to form

part of this Fixed Charge as if expressly incorporated into it and as if all references in such clauses to the Original Fixed Charge were references to this Fixed Charge.

2. CHARGES

2.1 Fixed Charge

The Chargor with full title guarantee, as security for the payment of all Secured Obligations, charges in favour of the Security Trustee:

2.1.1 by way of a first fixed legal mortgage, all and any part of any estate or interest in the property described in the schedule and all buildings, erections, fixtures and fittings, fixed plant and machinery from time to time on it, the proceeds of sale of it, any deposits which may be forfeited and (so far as they are capable of being charged) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor and any money paid or payable in respect of those covenants, and any Insurance; and

2.1.2 by way of first fixed charge:

- (a) all benefits, claims and returns of premiums in respect of any Insurance; and
- (b) the benefit of all present and future licences, consents, agreements, covenants, rights and authorisations (statutory or otherwise) held in connection with the Charged Property and the use of the Charged Property specified in Clause 3.1.1 and the right to recover and receive all rent, income and compensation which may at any time become payable to it in respect thereof; and
- (c) if and in so far as the legal mortgage set out in Clause 3.1.1 or the assignment set out in Clause 3.2 (*Assignment*) is, for any reason, ineffective as a legal mortgage or assignment, the Chargor's Assets referred to in those clauses.

3. ASSIGNMENT

3.1.1 The Chargor with full title guarantee, as security for payment of all Secured Obligations, assigns to the Security Trustee all of its rights, title and interest in from time to time and to:

- (a) all present and future income and claims which are earned by or become payable to or for the account of the Chargor in connection with or by reference to the Charged Property (including, without limitation, income from rent, service charges and licence fees) and proceeds of any sale of any interest in the Charged Property;
- (a) the personal agreements and covenants (still subsisting and capable of being enforced) by the tenants, lessees, licensees or other parties under any Approved Tenancy in respect of the Charged Properties and by all guarantors and all security held by the Chargor from time to time, whether present or future, in respect of obligations of the tenants, lessees, licensees or other parties under any Approved Tenancy (including, without limiting

the generality of the foregoing, all moneys 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);

- (b) all agreements now or from time to time entered into or to be entered into to enable the charging or assignment by way of security of the Charged Property and for the sale, letting or other disposal or realisation of the whole or any part of the Charged Property (including, without limiting the generality of the foregoing, all moneys 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 including any development agreements, contracts or warranties in relation to the Charged Property the benefit of which is or will be vested in the Chargor (so far as such are assignable);
- (a) 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 Fixed Charge or any such agreement, contract, deed, licence, undertaking, guarantee, covenant, warranty, representation or other document) entered into by or given to the Chargor in respect of the Charged Property including all:
 - (i) 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); and
 - (ii) guarantees, warranties, bonds and representations given or made by, and any rights or remedies against, any designer, builder, contractor, professional adviser, sub-contractor, manufacturer, supplier or installer of any Fixture,

in each case, relating to all or any part of the Charged Property;

- (b) the licences held now or in the future in connection with the Charged 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 Charged Property;
- (c) Insurance relating to the Charged Property and all proceeds paid or payable thereunder (but subject to Clause 4 (*Insurance*) of the Original Fixed Charge);
- (d) all rights and claims to which the Chargor is now or may hereafter become entitled in relation to any development of a Charged Property (including those against all persons who now or may at any time be lessees, sub-lessees or licensees of the Charged Property and all guarantors and sureties for the obligations of such persons) and the benefit of all guarantees, warranties and representations given or made by and any rights or remedies against all or any of the manufacturers, suppliers or installers of any Fixtures in respect of the Charged Property;

- (e) the benefit of all guarantees, warranties and representations given or made now or hereafter by, and any rights or remedies against, all or any of the designers, builders, contractors, professional advisers, sub-contractors, manufacturers, suppliers and installers of any Fixtures in respect of the Charged Property;
- (f) any Transfer Agreements relating to the Charged Property; and
- (g) all rights to which the Chargor is now or may hereafter become entitled in respect of the proceeds of any order of the Court made pursuant to Section 238(3), 239(3) or 244 of the Insolvency Act 1986.

3.1.2 Until this security becomes enforceable, the Chargor will be entitled to receive and deal with income from rent, service charges and licence fees from the Charged Property and enforce and enjoy the benefit of all contracts, documents and rights and other items listed in Clause 3.1.1.

4. RESTRICTIONS ON DEALING

The Chargor will not sell, transfer, grant, lease (save an Approved Tenancy) or otherwise dispose of any interest in any Charged Property, or create or permit to subsist any Encumbrance on any of the Charged Properties, except as permitted by any agreement relating to the Secured Obligations. The Chargor's statutory powers of leasing, agreeing to lease and accepting surrenders of leases are excluded.

5. LAND REGISTRY

In respect of the Charged Property the title to which is or is to be registered at the Land Registry and in respect of any other registered title(s) against which this Fixed Charge may be noted:

5.1.1 the Chargor consents to an application being made on form RX1 to the Land Registrar for a restriction in the following terms to be entered on the Register of Title relating to the Charged Property:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor of the time being of the charge dated [•] in favour of Prudential Trustee Company Limited referred to in the charges register or, if appropriate, signed on such proprietor's behalf by an authorised officer(s)";

5.1.2 the Chargor consents to an application being made to the Land Registry for a note on Form CH2 to be entered on the Register of Title relating to it whereby the Finance Beneficiaries are under an obligation to make further advances to the Group Borrower on the terms and subject to the conditions of any document which creates any of the Secured Obligations or of any other agreement, whether made before or after the date of this Fixed Charge, for the provision of credit by any of the Finance Beneficiaries to the Group Borrower and this Fixed Charge secures those further advances; and

5.1.3 the covenants set out in sections 2 to 5 (inclusive) of the Law of Property (Miscellaneous Provisions) Act 1994 are modified and extended by the provisions of this Fixed Charge.

6. DECLARATION

6.1.1 The Chargor certifies that:

- (a) the land charged is held by or in trust for a charity by the proprietor and the charity is [an exempt charity][a non-exempt charity but this Fixed Charge is one falling within Section 38(5) of the Charities Act 1993];
- (b) the security created by this Fixed Charge does not contravene any of the provisions of the [Industrial and Provident Societies Act 1965][Companies Act 1985] or its [rules][memorandum or articles of association].

6.1.2 In this Clause 6 (*Declaration*):

"land charged" means all real property of the Chargor charged to the Security Trustee, from time to time, under Clause 2 (Charges); and

"proprietor" means the Chargor.

7. MODIFICATION

Any modification, variation or amendment of this Fixed Charge is valid only if it is in writing and signed by or on behalf of each party hereto.

8. LAW AND JURISDICTION

8.1 Governing law

This Fixed Charge and all matters arising from or connected with it are governed by, and shall be construed in accordance with, English law.

8.2 Jurisdiction

8.2.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Fixed Charge (including a dispute regarding the existence, validity or termination of this Fixed Charge) (a "Dispute").

8.2.2 Each party agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party to this Fixed Charge will argue to the contrary.

9. COUNTERPARTS

This Fixed Charge may be executed by the parties hereto on two separate counterparts, each of which, when executed and delivered, shall constitute an original, but both the counterparts shall together constitute one and the same instrument.

IN WITNESS whereof this Fixed Charge has been executed by the parties hereto and is intended to be and is hereby delivered on the date first before written.

The Security Trustee

EXECUTED AS A DEED by

)

)

PRUDENTIAL TRUSTEE)
COMPANY LIMITED)

Director

)

)

)

Director /Secretary

The Chargor

EXECUTED AS A DEED by)

[•])

with its common seal hereby affixed)
in the presence of)

Authorised Signatory

Authorised Signatory/Secretary

SCHEDULE 1
DETAILS OF THE CHARGED PROPERTY

Property Description

Land Registry Title Number

[•]

[•]

SCHEDULE 2
DETAILS OF TRANSFER AGREEMENTS

[to be inserted]

PRUDENTIAL TRUSTEE COMPANY LIMITED
as Security Trustee

CIRCLE THIRTY THREE HOUSING TRUST LIMITED

SOUTH ANGLIA HOUSING LIMITED

OLD FORD HOUSING ASSOCIATION

WHERRY HOUSING ASSOCIATION LIMITED

CERTIFICATE OF TITLE

CERTIFICATE OF TITLE

From:

To: Prudential Trustee Company Limited as Security Trustee for and on behalf of the relevant Security Beneficiaries (each as defined in a Security Trust Deed dated ♦ and made between Prudential Trustee Company Limited, Circle Thirty Three Housing Trust Limited, Circle Anglia Treasury Limited, Wherry Housing Association Limited, South Anglia Housing Limited and Old Ford Housing Association) (the **Security Trust Deed**). For the purposes of this addressee wording, the "relevant Security Beneficiaries" shall mean those Security Beneficiaries who are, at the relevant time, relying on the Properties (as defined below) as security for the obligations of any Obligor (as defined in the Security Trust Deed)

and Each relevant Security Beneficiary who is, at the relevant time, relying on the Properties as security for the obligations of any Obligor (as defined in the Security Trust Deed)

Chargor: [Circle Thirty Three Housing Trust Limited] [South Anglia Housing Limited] [Wherry Housing Association Limited] [Old Ford Housing Association]

Property/ies [See Schedule 1]

Words and expressions in this Certificate shall have the same meaning as in the Security Trust Deed.

We acknowledge that in providing this Certificate we owe a duty of care to the Security Trustee and each relevant Security Beneficiary who is, at the relevant time, relying on the Properties as security for the obligations of any Obligor.

WE CERTIFY as follows:

(1) Except as otherwise disclosed to you in Schedule 2:

- (i) we have investigated the title to the Properties. The Chargor is the sole legal and beneficial owner of the Properties and there are no financial charges secured on any of the Properties which will affect the Properties after completion of the [Supplemental] Fixed Charge and, upon completion of the [Supplemental] Fixed Charge, the Chargor will have a good and marketable title to the Properties and to appurtenant rights free from prior mortgages or charges and from onerous encumbrances which title will be registered with absolute title and that the Chargor is absolutely entitled to the whole proceeds of sale of each of the Properties. No consents will be required to be obtained by you (save for consent required under Section 42(2) of the Housing Act 1996) in the event that you dispose of the Properties in the exercise of your power pursuant to the [Supplemental] Fixed Charge;

- (ii) all deeds and documents necessary to show good and marketable title to the Properties are in the possession of either ourselves or the Land Registry;
- (iii) In giving this certificate, we have:-
 - (a) examined all relevant title and other documents in our possession or supplied to us by the Chargor;
 - (b) carried out all necessary searches and enquiries in relation to the Properties;
 - (c) made all relevant and necessary enquiries of the Chargor to enable us to provide this certificate;
 - (iv) The Chargor has confirmed that there are no outstanding monies payable by it relating to the Property including any liability for water rates or any other rates;
 - (v) we have compared the extent of the Properties shown on any plan provided by you against relevant plans in the title deeds and/or the description of the Properties you have supplied to us, and in our opinion there are no material discrepancies;
 - (vi) if any of the Properties are leasehold the terms of the lease accord with your instructions, including any requirements you have for covenants by the Landlord and/or a management company and/or by a deed of mutual covenant for the insurance, repair and maintenance of the structure, exterior and common parts of any building of which such a Property forms part and we specifically confirm that:
 - (a) we have or will obtain on or before completion of the [Supplemental] Fixed Charge a clear receipt for the last payment of rent and service charge;
 - (b) the leases and any headlease of the relevant Properties do not contain any provisions for forfeiture in the event of the insolvency of the Chargor;
 - (c) where the insurance of any such Property is controlled by the landlord the arrangements effectively cover the replacement value and the landlord is obliged to apply the insurance monies accordingly in reinstating the Property and any shortfall is payable by the landlord. The Chargor has the right to a copy of the policy and your interest will be noted on the policy on completion;
 - (d) there are no provisions within the leases which fetter the Chargor's right to assign the lease (other than as referred to at (f) below) or which prevent the relevant lease being sold at a premium;

- (e) there are no break clauses or options to determine the leases exercisable by the landlord or tenant;
- (f) where necessary consent has been obtained from each landlord to the assignment or transfer of the relevant lease to the Chargor and the charge by the Chargor of each such lease to Prudential Trustee Company Limited (in its capacity as Security Trustee);
- (g) where applicable we will serve notice of the [Supplemental] Fixed Charge in duplicate on the Landlord of each of the leasehold Properties immediately after completion of the [Supplemental] Fixed Charge; and
- (h) the rent payable is set out in Schedule 2,
- (vi) where title to any of the Properties is unregistered:
 - (a) the title commences with a good root of title at least 15 years old; and
 - (b) no event has occurred in consequence of which registration should have been effected and there is no caution against first registration,
- (viii) we have received satisfactory evidence that the buildings insurance for the Properties is in place, or will be on completion of the [Supplemental] Fixed Charge, for the sum and in the terms required by you with your interest noted on the Policy;
- (ix) if any of the Properties are to be purchased by the Chargor we confirm that we are not acting on behalf of any of the vendors;
- (x) the Chargor has confirmed that all the Properties are presently used for residential purposes;
- (xi) the Properties have the benefit of all the necessary rights of access and all usual services (including water electricity gas drainage and telephone) and all necessary easements and wayleaves in respect thereof have been obtained.
- (xli) the searches and enquiries we have undertaken have not revealed any overriding interests (as referred to in Schedules 1, 3 and 12 of the Land Registration Act 2002);
- (xlii) we have undertaken in respect of the Properties searches at the Local Land Charges Registry (Part I enquiries and Part II enquiries []), the Land Registry (if the title is registered) and HM Land Charges Registry (if the title is not registered), and any other appropriate searches which we reasonably consider are required to give the confirmations in this Certificate and the results will be no more than 6 months old at the date of this Certificate;

- (xiv) the use of the Properties is the permitted use free from any restrictions and conditions under the Town and Country Planning Acts and conforms to the provisions of the Town and Country Planning Acts and the buildings constructed on the Properties and the use thereof have the benefit of appropriate planning permission and no adverse entries affecting the Properties have been revealed by our searches or enquiries in such respect. Such searches and enquiries have not revealed any breach or failure to comply with any planning conditions which remains unremedied as at the date of this report on title;
- (xv) the Properties are not subject to any nomination rights which are binding on the Properties or upon you and your successors in title;
- (xvi) our searches and enquiries have not revealed any agreement affecting any of the Properties under s.106 of the Town and Country Planning Act 1990 or s.33 of the Local Government (Miscellaneous Provisions) Act 1982 or any legislation of a similar nature nor any agreement to create any of the same whereby such agreement is binding upon or enforceable against any person deriving title from or under the original contracting parties;
- (xvii) nothing has been revealed by our searches and enquiries which would prevent the Properties being used by any occupant for residential purposes;
- (xviii) neither any principal nor any other solicitor in the practice giving this certificate nor any spouse, child, parent, brother or sister of such a person is interested in any of the Properties (whether alone or jointly with any other) as mortgagor;
- (xix) the Chargor has confirmed that each unit of accommodation on the Property (which has been let) has been let subject to an Approved Tenancy. The Chargor has confirmed that there are no material breaches of the terms of any such Approved Tenancy and no legal proceedings have been instituted by the Chargor and we have no reason to doubt the accuracy of this statement;
- (xx) we certify that none of the tenants of the Chargor has a right to buy or the right to acquire;
- (xxi) the Chargor has confirmed that it has not received notice of any resolution, proposal, scheme or order, whether formally adopted or not, for the compulsory acquisition of any of the Properties;
- (xxii) we certify that the [Supplemental] Fixed Charge of the Properties which accompanies this Certificate has been properly executed by the Chargor which has power to enter into the [Supplemental] Fixed Charge and on completion will be effective as a legal valid and binding first priority [Supplemental] Fixed Charge;

- (xxiii) for the purposes of providing this Certificate to you we have complied or will comply, with the standard requirements set out in the Council of Mortgage Lenders Handbook for England and Wales;
- (xxiv) we confirm that save as disclosed in Schedule 2, nothing has been revealed by our searches and enquiries in respect of any environmental contamination and the Chargor has confirmed that to the best of its knowledge and belief, it is not aware of any environmental contamination to the land upon which the Properties have been constructed or upon land adjoining the Properties nor is it aware of any breaches of any environmental legislation either at the date hereof or at any time prior hereto;
- (xxv) each of the Properties constructed within the last ten years enjoys the full defects insurance cover offered by the National House Building Council, Zurich Municipal or HAPM and we hold on behalf of the Chargor in relation to each of the Properties a relevant full form of insurance cover issued by the National House Building Council, Zurich Municipal or HAPM;
- (xxvi) we are not aware of any other matter arising on our investigation of title, including our searches and enquiries, which casts any doubt on the title of the Chargor to the Properties and the acceptability of the Properties as security and which should be brought to your attention;
- (xxvii) the Chargor has confirmed to us in writing within the 5 working days before the date of this Certificate that it is not aware of any information which renders any statement in this Certificate incomplete or inaccurate in any respect.
- (xxviii) the assumptions by the valuer about title (its tenure, easements, boundaries and restrictions on use) in any valuation which you have supplied to us are correct and the Properties are those listed in the valuation

We undertake prior to completion of the [Supplemental] Fixed Charge:

- (A) to make such Bankruptcy, Land registry or Land Charges Searches as may be necessary to justify certificate no.(1)(i) above;
- (B) to obtain a search of the Financial Services Authority or Companies House (as applicable).

We undertake following completion of the [Supplemental] Fixed Charge:

- (C) to complete the registration of the [Supplemental] Fixed Charge at the Land Registry (including lodging applications in Forms RX1 and CH2) within the period of protection afforded by the searches referred to in paragraph (A) above and to check the registrations, once completed, to ensure that the Chargor is the

registered proprietor and the Security Trustee has a first priority charge over the Properties;

- (D) to register the [Supplemental] Fixed Charge with the Financial Services Authority or Companies House (as applicable) within 21 days of completion;
- (E) to despatch to [], Solicitors, [] reference: [] such deeds and documents relating to the Properties as you require with a list of them in the form prescribed by you within ten working days of receipt by us of the Title Information Documents from the Land Registry;
- (F) to notify [] in writing why the Title Information Documents and the title deeds for the Properties have not been forwarded in compliance with paragraph (E) above within 6 months from the date of the Certificate.
- (G) We further undertake that we will notify you in writing if any matter comes to our attention prior to completion of the [Supplemental] Fixed Charge which would render the certificate given above untrue or inaccurate and, in those circumstances, will defer completion of the [Supplemental] Fixed Charge pending your authority to proceed.
- (H) This Certificate is for the use only of the parties to whom it is addressed and their successors in title and may be relied upon only by those parties and only in the context of the Security Trust Deed or the Relevant Documents. It may be disclosed to other professional advisers instructed in connection with the Security Trust Deed or the Relevant Documents but not otherwise. This Certificate is not to be relied on by nor is any responsibility accepted to any third party, nor is it to be used in connection with any other transaction or supplied to any other person or copied quoted or referred to in whole or in part without our written consent including as to the form and context in which it may appear.

SCHEDULE 1
The Properties

Property Description	Title Number	Freehold/Leasehold	If Leasehold - unexpired term of lease

SCHEDULE 2
Any Qualifications

Signature Box

SIGNED on behalf of the CHARGOR'S SOLICITORS
Name of Authorised Signatory
Date of Signature

