

# **SECURITY TRUST DEED**

**Dated 25th July, 2013**

**Between**

**POPLAR HOUSING AND REGENERATION COMMUNITY ASSOCIATION LIMITED**  
**as Borrower**

**PRUDENTIAL TRUSTEE COMPANY LIMITED**  
**as Security Trustee**

**and**

**POPLAR HARCA CAPITAL PLC**  
**as Original Lender**

**ALLEN & OVERY**

**Allen & Overy LLP**

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**THIS SECURITY TRUST DEED** is dated 25th July, 2013

**BETWEEN:**

- (1) **PRUDENTIAL TRUSTEE COMPANY LIMITED**, a company incorporated under the laws of England and Wales, whose registered office is at Laurence Pountney Hill, London EC4R 0HH with registered number 1863305 (the **Security Trustee**, which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being the trustee or trustees of these presents) as security trustee for the Beneficiaries referred to below;
- (2) **POPLAR HOUSING AND REGENERATION COMMUNITY ASSOCIATION LIMITED**, a company limited by guarantee incorporated under the laws of England and Wales (with registered number 3249344) and registered with the Regulation Committee of the Homes and Communities Agency under the Housing and Regeneration Act 2008, as amended by the Localism Act 2011, (with registered number L4170) whose registered office is at 167a East India Dock Road, London E14 0EA (the **Borrower**); and
- (3) **POPLAR HARCA CAPITAL PLC**, a public limited company incorporated under the laws of England and Wales (with registered number 08472923) whose registered office is at 167a East India Dock Road, London E14 0EA (the **Original Lender**).

**BACKGROUND:**

- (A) The Parties (as defined below) enter into this Deed in connection with the Original Loan Agreement (as defined below).
- (B) It is a condition precedent to the Original Loan Agreement that this Deed be entered into pursuant to which the Security Trustee agrees to hold the benefit of the Security Documents and the security created thereunder on trust in accordance with the terms of this Deed for and on behalf of itself and the Beneficiaries.
- (C) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

**IT IS AGREED** as follows:

**1. INTERPRETATION**

**1.1 Definitions**

In this Deed:

**Accession Date** means the date on which a Deed of Accession takes effect subject to and in accordance with Clause 12.2 (*New Parties*);

**Additional Funding Agreement** means any other loan agreement and/or hedging arrangement entered into after the date of this Deed between a Lender or Lenders, an Agent (if any) and the Borrower and designated by the parties thereto as an **Additional Funding Agreement** for the purposes of this Deed;

**Additional Lender** means an entity which becomes a party to a Funding Agreement, in its capacity as lender or, as the case may be, the arranger or provider of hedging arrangements, and accedes to this Deed in accordance with Clause 12.2 (*New Parties*);

**Additional Security Agreement** means each security agreement between the Borrower and the Security Trustee entered into after the date of this Deed under which, *inter alia*, the Borrower creates a fixed charge over certain Properties belonging to it and a fixed charge and/or assignment by way of security over certain Related Security Assets, in each case, in favour of the Security Trustee as security for the Borrower's obligations under certain Finance Documents substantially in the form set out in Schedule 4, duly completed;

**Agent** means an entity which acts in its capacity as agent for any Lender party to a Funding Agreement and accedes to this Deed in its capacity as an agent in accordance with Clause 12.2 (*New Parties*);

**Appointee** means any attorney, manager, agent, delegate, nominee, custodian, Receiver or other person appointed by the Security Trustee under this Deed or the other Security Documents;

**Approved Tenancy Agreement** means a tenancy agreement, shared ownership lease or licence substantially in line with the guidelines of the Regulator or in such other form as may be approved by the Security Trustee;

**Authorised Signatory** or **authorised signatory** means those signatories set out in an Incumbency Certificate substantially in the form set out in Schedule 8 or those signatories set out in any replacement Incumbency Certificate provided to the Security Trustee, such replacement Incumbency Certificate it may rely upon absolutely;

**Beneficiary** means:

- (a) the Original Lender and the Security Trustee (either individually or collectively and, in the case of the Original Lender, in its capacity as lender pursuant to or in connection with the Original Loan Agreement); and
- (b) each Additional Lender, the Security Trustee and each Agent acting on behalf of any such Lender (either individually or, where the context requires, collectively and, in the case of each Additional Lender, in the capacity of lender, arranger and/or provider of hedging arrangements, as the case may be, pursuant to or in connection with an Additional Funding Agreement);

**Borrower Default** has the meaning given to that term (or its equivalent) in any Funding Agreement;

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

**Certificate of Title** means a certificate of title addressed to the Security Trustee and the Beneficiaries in a form acceptable to the relevant Beneficiaries at the time it is so addressed and substantially in the form set out in Schedule 7, duly completed;

**Charged Property** means all estates and interests of the Borrower in any freehold or leasehold or heritable property mortgaged or charged pursuant to a Security Document which complies with any relevant requirements of the applicable Finance Documents and all buildings, fixtures, fittings (other than tenants' fixtures and fittings) and fixed plant and machinery from time to time thereon (and **Charged Properties** shall be construed accordingly);

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

- (a) the aggregate of the principal amount which is (or, as the case may be, was immediately prior to any Borrower Default) outstanding from the Borrower and available for drawing by the Borrower (in relation to any debt obligation under a loan agreement); or
- (b) the aggregate mark to market exposure (after making any deductions or additions in accordance with the relevant hedging documentation) under any hedging documentation entered into with a Beneficiary which is (or, as the case may be, was immediately prior to any Borrower Default) outstanding (in relation to any debt obligation under any such hedging documentation);

**Deed of Accession** means a deed of accession substantially in the form set out in Schedule 1, duly completed;

**Deed of Arrangement** means the deed entered into in respect of priority of floating charges dated 25th July, 2013 between the Borrower, the Security Trustee and the Law Debenture Trust Corporation plc;

**Default** means:

- (a) a Borrower Default; or
- (b) an event which would be (with the expiry of a grace period, the giving of notice or the making of any determination under the applicable Finance Documents or any combination of them) a Borrower Default;

**Designated Security** means, in relation to any Beneficiary (a **Relevant Beneficiary**), any Security Assets the proceeds of which are allocated for application in reduction of the Secured Liabilities of that Beneficiary in accordance with Clause 2 (*Designation of Security Assets*);

**Desk Top Valuation Report** means, in relation to the Charged Properties, a valuation of those properties conducted in accordance with the same methodology as a Valuation Report addressed to, *inter alios*, the Security Trustee provided by a Valuer on a "desk-top" basis;

**Enforcement Date** means the first date upon which the security conferred by any of the Security Documents is enforced;

**Enforcement Event** means any event, howsoever described, specified in a Finance Document as an event upon the occurrence of which the relevant Beneficiary or group of Beneficiaries to whom such Finance Document relates becomes entitled:

- (a) to call for early repayment of all or any of the Secured Liabilities under such Finance Documents; and/or
- (b) to terminate all or any of the transactions entered into pursuant to such Finance Document (but excluding any interest rate arrangement entered into by the relevant Beneficiary to which the Borrower is not a party unless such Beneficiary becomes entitled to terminate the same as a consequence of a default (howsoever described) by the Borrower under the terms of the Finance Document prior to the scheduled maturity thereof); and/or
- (c) to require the Security Trustee to enforce any of the Security Documents constituting such Beneficiary's Designated Security;

**EUV-SH** means a valuation made on the basis of existing use value for social housing ("EUV-SH") as defined by UKVS1.13 Valuations for registered social landlords of the RICS Valuation –

Professional Standards 2012 (or, if a subsequent edition of the RICS Valuation Standards has been published at the relevant time, the relevant valuation standard of the then most recently published edition of RICS Valuation Standards) or, if the RICS Valuation Standards are no longer published at such time, on a basis agreed between the Borrower, the Lenders, the Security Trustee and a Valuer;

**Finance Document** means:

- (a) each Funding Agreement;
- (b) each Security Document; and
- (c) any other document designated as a Finance Document in accordance with the terms of a Funding Agreement;

**Fixed Security Assets** means all Security Assets which are subject to or are intended to be subject to fixed security created pursuant to any Security Agreement;

**Funding Agreement** means the Original Loan Agreement and each Additional Funding Agreement;

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

**Lenders** means the Original Lender and each Additional Lender;

**Letter of Undertaking** means a letter of undertaking from solicitors acting for the Borrower in a form acceptable to the Security Trustee, in relation to, *inter alia*, the title deeds to the relevant Charged Properties and perfection of security;

**Letting Documents**, in relation to a Unit or Charged Property, has the meaning given to that term in the Security Agreement under which such Unit or Charged Property is charged or otherwise becomes subject to a right in security granted in favour of the Security Trustee;

**Liability** means any loss, damage, cost, fee, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including without limitation, in respect of taxes, duties, levies, imports and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;

**MV-ST Charged Properties** means the Charged Properties accepted as such in accordance with the provisions of Clause 11.4 (*Designation of MV-ST Charged Properties*) of the Original Loan Agreement (or the corresponding provision in any Additional Funding Agreement);

**Original Commitment** has the meaning given to that term in the Original Loan Agreement;

**Original Loan Agreement** means the loan agreement dated on or about the date of this Deed between the Original Lender, the Borrower and the Security Trustee;

**Original Security Agreement** means the security agreement between the Borrower and the Security Trustee pursuant to which the Borrower creates a fixed charge over certain Properties belonging to it and a fixed charge and/or assignment by way of security over certain Related Security Assets in respect of its obligations under the Original Loan Agreement, dated on or around the date of this Deed;

**Other Beneficiary** means, in circumstances where proceeds are available for distribution by the Security Trustee in accordance with Clause 3(e), any other Beneficiary whose Secured Liabilities have not previously been so satisfied in accordance with Clause 3(c);

**Other Loan Agreements** means the Funding Agreements under or in connection with which the Secured Liabilities owed to the Other Beneficiaries arise.

**Overall Security Percentage** means, in relation to any particular Beneficiary, the number of Units attributable to that Beneficiary, as amended from time to time, divided by the total number of Units comprising all the Designated Security, as amended from time to time (expressed as a percentage).

**Party** means a party to this Deed (which, for the avoidance of doubt, includes any person acceding to this Deed in accordance with Clause 12.2 (*New Parties*));

**Permitted Disposal** means (a) a Statutory Disposal; or (b) any other disposal of a Property that is permitted under each applicable Funding Agreement;

**Permitted Reorganisation** means any amalgamation, merger, consolidation or transfer of engagements (whether entering into or acceptance thereof) of the whole of the Borrower's property (including, for the avoidance of doubt, any statutory procedure as provided for under the Industrial and Provident Societies Act 1965) made between the Borrower (**Party A**) and any other entity (**Party B**) provided that (a) any new amalgamated entity to be created as a result thereof will be a Registered Provider of Social Housing; (b) following any such amalgamation, merger, consolidation or transfer of engagements in respect of which the property of Party A (including, for the avoidance of doubt, any liabilities) shall become vested in Party B or a new amalgamated entity, Party B or such new amalgamated entity will thereafter be responsible for all the liabilities of Party A pursuant to the Industrial and Provident Societies Act 1965; and (c) a certificate executed by two authorised signatories of Party A or Party B confirming the above is provided to the Security Trustee;

**Property** means all estates or interests of the Borrower in any freehold, heritable or leasehold property wheresoever situate now or in future belonging to it and all buildings, fixtures, fittings (other than tenants fixtures and fittings) and fixed plant and machinery from time to time thereon (and **Properties** shall be construed accordingly);

**Receiver** means an administrative receiver, a receiver or a receiver and manager;

**Registered Provider of Social Housing** means a person listed in the register of providers of social housing established under Chapter 3 of Part 2 of the Housing and Regeneration Act (or any replacement or successor legislation thereto) or a person having a status which, in the opinion of the Original Lender and the Security Trustee, is substantially equivalent under any replacement or successor legislation;

**Regulator** means the Regulation Committee of the Homes and Communities Agency constituted pursuant to the Housing and Regeneration Act, as amended by the Localism Act 2011, or any similar future authority or authorities carrying on substantially the same regulatory and/or supervisory functions;

**Related Security Assets** in relation to any Unit or Charged Property, means all rights, title and interest of the Borrower in, to and under fixed plant and machinery, insurances, licences consents and authorisations, Letting Documents and security thereunder, warranties and all other agreements, rights and assets, in each case, related to such Unit or Charged Property and the subject of the security created under any Security Document;

**Relevant Beneficiary** in relation to any Designated Security has the meaning given to it in the definition of that term;

**Relevant Proportion** means, in respect of any Designated Security, or as the case may be, Relevant Beneficiary (a) the total Commitments in respect of the Relevant Beneficiary divided by (b) the total Commitments in respect of all Beneficiaries;

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

- (a) in respect of any Designated Security, all Trustee Costs which relate exclusively to that Designated Security and to other Designated Security of the Relevant Beneficiary;
- (b) all amounts due to the Security Trustee from the Relevant Beneficiary under Clause 6 (*Remuneration and Indemnification of Security Trustee*); and
- (c) the Relevant Beneficiary's Relevant Proportion of all amounts due and payable under Clause 6 (*Remuneration and Indemnification of Security Trustee*) but which remain unpaid;

**Right-to-Buy** means the right of a tenant of a Property:

- (a) to buy that property from the Borrower under section 180 of the Housing and Regeneration Act or under Part V of the Housing Act 1985 (or any similar right replacing those rights) or under any contract conferring such a right and including, without limitation, such rights preserved notwithstanding any previous transfers of that property to the Borrower from any local authority;
- (b) to acquire an interest in that property from the Borrower by means of a shared-ownership lease where the terms of any such lease comply with the regulatory requirements of the Regulator or have been approved by the Lender; or
- (c) to buy or acquire an interest in that property from the Borrower under any voluntary scheme approved by the Lender;

**Secured Liabilities** means all present and future obligations and liabilities (whether actual or contingent) owed by the Borrower to any Beneficiary under the Finance Documents;

**Security Agreement** means:

- (a) the Original Security Agreement;
- (b) each Additional Security Agreement; and
- (c) each Supplemental Legal Charge;

**Security Assets** means all assets, rights and property of the Borrower mortgaged, secured, charged or assigned or the subject of any security created pursuant to any Security Agreement;

**Security Certificate** has the meaning given to that term in Clause 2.1(c);

**Security Document** means:

- (a) each Security Agreement;
- (b) this Deed;
- (c) the Deed of Arrangement; and

- (d) any other document creating, evidencing or granting any guarantee or security in support of the obligations of the Borrower under the Finance Documents;

**Security Register** has the meaning given to it in Clause 2.5;

**Shared Ownership Property** means any Properties acquired by the Borrower then being occupied on shared ownership terms or in respect of which the Borrower grants a lease on shared ownership terms so that the Borrower holds, or is intending to hold upon disposal on shared ownership terms, less than 100 per cent. of the beneficial (or heritable) interest in that Property and the purchaser of the balance of that beneficial (or heritable) interest has the right to acquire a further portion of the Borrower's retained beneficial (or heritable) interest;

**Shared Ownership Sale** means the disposal of the whole or any interest in a Unit of residential accommodation by the Borrower (or of the retained interest of the Borrower in any Unit of residential accommodation) which, immediately before the disposal, was comprised in a Shared Ownership Property;

**Social HomeBuy** has the meaning given to that term in the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2006;

**Statutory Disposal** means a Shared Ownership Sale, the exercise of a Right-to-Buy, a Social HomeBuy disposal or any other disposal of a Property where it is required that some or all of the relevant disposal proceeds be credited to the disposal proceeds fund (as defined in section 177 of the Housing and Regeneration Act) of the Borrower;

**Supplemental Legal Charge** means each fixed legal charge executed by the Borrower in favour of the Security Trustee entered into after the date of this Deed in respect of additional Properties, substantially in the form of Schedule 5;

**Trust Corporation** means a corporation entitled by rules made under the Public Trustee Act 1906 or entitled pursuant to any other comparable legislation applicable to a trustee in any other jurisdiction to carry out the functions of a custodian trustee;

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

**Trustee Costs** means all costs, fees, charges, expenses and liabilities (and all interest thereon as provided in the relevant Security Documents) incurred by or on behalf of the Security Trustee and any Appointee in connection with carrying out its duties and exercising its powers and discretions under the relevant Security Documents and the remuneration of the Security Trustee and every Receiver under the relevant Security Documents in respect of acting in relation to the relevant Security Assets;

**Undesignated Security** means, at any time, Security Assets which are not Designated Security at such time;

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

**Valuation** means a Valuation Report or a Desk Top Valuation;

**Valuation Report** means, in relation to the Charged Properties, a valuation of those properties addressed to, *inter alios*, the Security Trustee provided by a Valuer containing such information as is relevant to the portfolio of the Charged Properties and showing the value of the properties on the

basis of EUV-SH and/or MV-ST (to the extent applicable) or, where agreed between the Security Trustee and the Borrower, a letter from the relevant Valuer confirming that there have been no material changes in respect of a previous Valuation Report given by such Valuer in respect of such properties;

**Value** means, at any time and in relation to the Charged Properties, the value of those properties as shown in the then latest Valuation on the basis of EUV-SH or, as the case may be, MV-ST (provided that if any Charged Property or part thereof is sold pursuant to a Right-to-Buy, the Value of the relevant Charged Property shall, for the purposes of this definition and with effect from the date of the relevant sale or release, 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 which has not been sold pursuant to the relevant Right-to-Buy); and

**Valuer** means Savills Advisory Services Limited or such other reputable firm of surveyors (which is a member of the Royal Institute of Chartered Surveyors) as may be appointed by the Borrower or the Security Trustee from time to time.

## 1.2 Construction

- (a) In this Deed, unless the contrary intention appears, a reference to:
- (i) an **amendment** includes a supplement, novation, restatement or re-enactment and **amended** will be construed accordingly;
  - (ii) **assets** includes present and future properties, revenues and rights of every description;
  - (iii) an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
  - (iv) **disposal** means a sale, transfer, grant, lease or other disposal, whether voluntary or involuntary, and **dispose** will be construed accordingly;
  - (v) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money;
  - (vi) a **person** includes any individual, company, corporation, unincorporated association or body (including a partnership, trust, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;
  - (vii) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (viii) a currency is a reference to the lawful currency for the time being of the relevant country;
  - (ix) a Default or Enforcement Event being **outstanding** means that it has not been remedied (within any applicable grace period) or waived in writing;
  - (x) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;

- (xi) a Clause, a paragraph or a Schedule is a reference to a clause or paragraph of, or a schedule to, this Deed;
  - (xii) a person includes its successors in title, permitted assigns and permitted transferees;
  - (xiii) a Finance Document or another document is a reference to that Finance Document or other document as amended; and
  - (xiv) a time of day is a reference to London time.
- (b) Unless the contrary intention appears, a reference to a **month** or **months** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:
- (i) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);
  - (ii) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and
  - (iii) notwithstanding subparagraph (i) above, a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.
- (c) Unless the contrary intention appears:
- (i) a reference to a Party will not include that Party if it has ceased to be a Party under this Deed;
  - (ii) a word or expression used in any other Finance Document or in any notice given in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Deed unless otherwise expressly defined therein; and
  - (iii) any obligation of the Borrower under the Finance Documents which is not a payment obligation remains in force for so long as any payment obligation (actual or contingent, present or future) of the Borrower is or may be outstanding under the Finance Documents.
- (d) For the purposes of this Deed:
- (i) subject to the Security Trustee having received express notice to the contrary, the Security Trustee shall not concern itself whether any Agent is entitled (under the terms of any Finance Documents) to give any requests or instructions to the Security Trustee; and
  - (ii) if any Agent, in issuing any requests or instructions, breaches any rights or restrictions set out in any Finance Document this shall not invalidate the requests or instructions unless the relevant Agent informs the Security Trustee in relation to a request or instruction made or given by it before the Security Trustee commences to act on such request or instruction that such requests or instructions were invalid and should not be acted on. If the Security Trustee is so informed after it has commenced to act on a request or instruction the validity of any action taken shall not be affected but the Security Trustee shall take no further action in accordance with such request or instruction, except to the extent that it has become legally obliged to do so.
- (e) The headings in this Deed do not affect its interpretation.

- (f) In the event of any conflict between the terms of this Deed and any other Finance Document, the provisions contained in this Deed shall prevail.

## **2. DESIGNATION OF SECURITY ASSETS**

### **2.1 Designation of Charged Properties and Related Security Assets**

- (a) The Security Trustee has apportioned, on the date of this Deed, and will apportion on an ongoing basis as part of the adjustments set out in Clause 2.1(b), the Charged Properties into separate designated security for each Beneficiary (with the remaining Charged Properties comprising Undesignated Security), such apportionment to be on an individual or collective basis and be in accordance with the provisions set out below so that:

- (i) the Designated Security shall comprise the specific Charged Properties designated to such Beneficiary and as agreed between the Borrower, the relevant Agent (if any) and the relevant Lender(s) (together with the Related Security Assets) as notified to each of the Beneficiaries in accordance with paragraph (c) below; and
- (ii) the Borrower will be able to comply with the applicable asset cover, income cover or similar ratios set out in each of the Funding Agreements.

Such apportionment shall be based on certifications from the Borrower to the Security Trustee as to the Designated Security required by the Borrower to comply with the applicable asset cover, income cover and other similar ratios set out in the applicable Funding Agreement(s), on which the Security Trustee is entitled to rely without further investigation and without liability to any person. The Security Trustee shall not be responsible for monitoring whether the Borrower is in compliance with such ratios or for any failure by the Borrower to comply with any such ratio.

- (b) (i) On each 31st March and 30th September; and
- (ii) immediately before and as a condition precedent to disbursement of any loan under any Additional Funding Agreement or under the Original Loan Agreement in excess of the Original Commitment or the portion thereof which has previously been advanced as at the date of this Deed and/or the accession of a new Beneficiary (subject to paragraph (d) below) to this Deed or release of an existing Beneficiary from this Deed,

the Security Trustee and the Borrower shall review the Security Certificate relating to each Beneficiary's Designated Security most recently provided in accordance with paragraph (c) below, in the light of releases and/or substitutions and/or additions from and to the Security Assets (or the entitlement of any Beneficiary to part of such Security Assets) which have taken place since the date of last review and/or in light of the proposed loan disbursement and/or accession or release of any Beneficiary and, if necessary and possible, agree between themselves and with each relevant Beneficiary (or Agent acting on its behalf) (such agreement not to be unreasonably withheld) to adjust, subject to the immediately following provisos, the Designated Security of each Beneficiary and the Undesignated Security as they may deem appropriate, provided that:

- (A) subject to paragraph (f) and Clause 2.2, any such adjustment shall only be made to the extent that the terms of the relevant Funding Agreement relating to releases and/or substitutions and/or additions have been complied with, no Borrower Default has occurred and is outstanding or would occur following such adjustment (unless the Borrower and each relevant Beneficiary agrees to waive the Borrower Default) and all applicable asset cover, income cover or similar ratios included in each Funding Agreement will be satisfied following such adjustment; and

- (B) any such adjustment shall only be made with the agreement of all Beneficiaries except where it is made in any of the following circumstances, in which event only the agreement of the particular Beneficiary or Beneficiaries (or Agent acting on a Beneficiary's behalf) shall be required:
- I. a reduction of a Beneficiary's Designated Security where the Units concerned become Undesignated Security; or
  - II. allocation to a new Beneficiary of Units from an existing Beneficiary's Designated Security or from the Undesignated Security.

Where a new loan is to be disbursed and/or a new Beneficiary is to accede to, or an existing Beneficiary is to be released from, this Deed, such adjustment shall take effect on the date of such disbursement, accession or release.

- (c) With effect from any designation effected in accordance with paragraphs 2.1(a) or (b) above or paragraphs (f) or (g) below, the Borrower shall notify each affected Beneficiary (or Agent on its behalf), copied to the Security Trustee, in writing of the specific designated Properties included in such Beneficiary's Designated Security, by preparing and delivering to such Beneficiary, copied to the Security Trustee, a certificate substantially in the form of Schedule 3 (a **Security Certificate**) and, where any Property or Unit included in any Designated Security is re-allocated in accordance with this Deed, such reallocation shall be evidenced by the Borrower preparing and delivering a revised Security Certificate to each affected Beneficiary, copied to the Security Trustee. In each case, each such Security Certificate shall be conclusive in the absence of manifest error and shall be signed by the Borrower (as an indication of its agreement to the relevant Beneficiary's Designated Security referred to in the revised Security Certificate and its confirmation that the list of Charged Properties referred to in the revised Security Certificate is complete and accurate) and countersigned by (i) the relevant Beneficiary (or Agent acting on its behalf) as an indication of its agreement to its Designated Security referred to in the revised Security Certificate and (ii) the Security Trustee (but the absence of such countersignatures shall not prejudice the validity thereof). For the avoidance of doubt, unless a Security Certificate has been delivered to a Beneficiary (or Agent on its behalf), the Units in respect of such Beneficiary shall be deemed not to be adjusted. A Security Certificate may be issued to an Agent acting on behalf of Lenders party to the same Funding Agreement which will identify the specific designated Properties allocated to the Beneficiaries party to such Funding Agreement on a collective basis.
- (d) For the avoidance of doubt, an adjustment to the Designated Security and the Undesignated Security will not be deemed to be necessary for the purposes of paragraph (b) above and a reallocation and issue of a revised Security Certificate will not be required for the purposes of paragraph (c) above in circumstances where:
- (i) a Beneficiary which is party to a Funding 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 and the transferee accedes to, and becomes a Beneficiary for the purposes of, this Deed in accordance with Clause 12.2 (*New Parties*); and
  - (ii) the Security Certificate issued most recently prior to such transfer in respect of the transferring Lender has been issued to an Agent (acting on behalf of such Lender and any other Lenders party to such Funding Agreement) on a collective basis as contemplated in paragraph (c) above.

Where such circumstances exist, the acceding Beneficiary will share in the Charged Properties or Units designated to the Beneficiaries party to such Funding 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 as determined in accordance with the provisions thereof.

- (e) Any additional Properties mortgaged to the Security Trustee pursuant to any Supplemental Legal Charge (or pursuant to any Additional Security Agreement) shall be deemed to be Undesignated Security unless secured pursuant to Clause 10 (*Addition, Substitution and Release of Charged Properties*) of the Original Loan Agreement (or any equivalent provision of any other Funding Agreement) in substitution for another Charged Property specifically included in the Designated Security of any Beneficiary, in which case such additional Property or Properties shall be included in the Designated Security of such Beneficiary.
- (f) In circumstances where the Borrower is in breach of any asset cover, income cover or similar ratio, then the Borrower and the Beneficiaries (or any Agent acting on behalf of a Beneficiary) will, to the extent it is necessary and possible, agree to reallocate Units (by withdrawing Properties from one Beneficiary's Designated Security or, as the case may be, the Undesignated Security and allocating it to another Beneficiary's Designated Security or, as the case may be, the Undesignated Security) and will instruct the Security Trustee to reallocate Units accordingly PROVIDED always that the asset cover, income cover or similar ratios or any other covenants or requirements that need to be satisfied prior thereto in respect of any other Funding Agreements continue to be complied with after such reallocation and no Borrower Default (other than the Borrower Default which is to be remedied by the reallocation of Units) has occurred and is outstanding or would occur as a result of such adjustment. The Borrower shall prepare and issue to all Beneficiaries (or any Agent acting on behalf of a Beneficiary) a revised Security Certificate reflecting such reallocation and such revised Security Certificate shall be signed by the Borrower (as an indication of its agreement to the relevant Beneficiary's Designated Security referred to in the revised Security Certificate and its confirmation that the list of Charged Properties referred to in the revised Security Certificate is complete and accurate) and countersigned by (i) the relevant Beneficiary (or Agent acting on its behalf) as an indication of its agreement to the relevant Beneficiary's Designated Security referred to in the revised Security Certificate and (ii) the Security Trustee. For the avoidance of doubt, the Units shall not be deemed to be reallocated until the Beneficiaries (or any Agent acting on behalf of a Beneficiary) and the Borrower have agreed as aforesaid.
- (g) Following confirmation from each relevant Beneficiary (or Agent on its behalf) that certain Charged Properties have been approved as MV-ST Charged Properties, the Borrower shall prepare and deliver a revised Security Certificate to each relevant Beneficiary reflecting the inclusion of such MV-ST Charged Properties and such revised Security Certificate shall be signed by the Borrower (as an indication of its agreement to the relevant Beneficiary's Designated Security referred to in the revised Security Certificate and its confirmation that the list of Charged Properties referred to in the revised Security Certificate is complete and accurate) and countersigned by (i) the relevant Beneficiary (or Agent acting on its behalf) as an indication of its agreement to the relevant Beneficiary's Designated Security referred to in the revised Security Certificate and (ii) the Security Trustee.
- (h) The Parties agree that (i) no designation of Security Assets shall be effected except in accordance with paragraphs (a), (b), (f) or (g) above and (ii) any allocation of Charged Properties and Related Security Assets contemplated by this Clause 2.1 and any other provision of this Deed is notional in nature, being included in this Deed primarily for the purposes of determining, as between the Beneficiaries, their respective shares in the proceeds of any enforcement of the security constituted by the Security Documents over the Charged Properties and Related Security Assets.
- (i) Each of the Security Trustee and the Original Lender agree that, other than in the case of Funding Agreements which are all funded by the issue by the Original Lender of bonds of the same series, the Original Lender shall be treated as a separate Beneficiary in respect of each Funding Agreement to

which it is a party and that the obligations of the Borrower in respect of the Original Lender shall not be aggregated in respect of two or more Funding Agreements to which the Original Lender is a party.

## **2.2 Disposals of Charged Properties**

- (a) Subject to (b) below, if, under the terms of the Finance Documents, each Beneficiary (or Agent on its behalf) has directed the Borrower to direct the Security Trustee (such direction from each Beneficiary to be in writing and signed by one authorised signatory in accordance with the applicable Funding Agreement) to release any Charged Property from any security interest created by any Security Document, then the Security Trustee shall promptly release such Charged Property from the security interest created by the Security Documents and such Charged Property shall, upon such release, be withdrawn from the Charged Properties.
- (b) The Borrower may require the Security Trustee (without the written consent of any Beneficiary (or Agent on its behalf)) to release any Charged Property from any security interest created by any Security Document (save as may be required by law) but only where the Borrower provides the Security Trustee with an executed notice (substantially in the form of Schedule 6 (*Form of Release Notice*)) that certifies to the Security Trustee that such release is connected with a Permitted Disposal.
- (c) The Borrower shall notify the Security Trustee forthwith upon the disposal of any Charged Property and shall confirm to the Security Trustee whether such disposal results in the reduction in a Beneficiary's Designated Security such that any asset cover, income cover or similar ratio in such Beneficiary's Funding Agreement is to be breached. For the avoidance of doubt, where a release of Charged Property occurs pursuant to this Clause that results in the reduction in a Beneficiary's Designated Security such that any asset cover, income cover or similar ratio in such Beneficiary's Funding Agreement is to be breached, then the Security Trustee and the Borrower shall agree between themselves and each relevant Beneficiary (or Agent acting on its behalf) an adjustment to the Designated Security of each relevant Beneficiary and the Undesignated Security (as contemplated in Clause 2.1(b)).

## **2.3 Additional Charged Properties**

At the request and expense of the Borrower, the Security Trustee shall (and is hereby authorised by the other Beneficiaries to) accept any additional Property (and Related Security Assets) into charge as may be selected by the Borrower PROVIDED that:

- (a) the Borrower has confirmed that such additional Properties are residential properties of a type and nature that are usually owned by a Registered Provider of Social Housing and are let or substantially let pursuant to an Approved Tenancy Agreement;
- (b) each Beneficiary (or Agent on its behalf) has received a Valuation in relation to such Property which is to be charged prepared by the Valuer dated no earlier than three months prior to the date of the relevant Security Agreement referred to below; and
- (c) the Borrower grants in favour of the Security Trustee an Additional Security Agreement or a Supplemental Legal Charge in respect of such Property (and its Related Security Assets), together with such other documents as the Security Trustee or any Beneficiary (or Agent on its behalf) may require as set out in paragraphs 1 to 12 of Schedule 2 (*Additional Property Conditions Precedent*) in form and substance satisfactory to such Beneficiary (or Agent on its behalf), such Security Agreement to be executed by the Security Trustee following confirmation from each Beneficiary (or Agent on its behalf) that they are so satisfied,

whereupon such Property shall form part of the Undesignated Security (subject to Clause 2.1(e)).

#### **2.4 Release of Charged Properties**

At any time prior to the Security Trustee taking any steps to enforce any Undesignated Security, upon receiving instructions from the Borrower so to do, the Security Trustee shall release the benefit of any encumbrance, rights or obligations held by it over the Undesignated Security as security for all or any of the Secured Liabilities provided that the Borrower shall have paid to the Security Trustee, or provided for to the satisfaction of the Security Trustee, all Trustee Costs which relate to that Undesignated Security.

#### **2.5 Security Register**

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

- (a) each asset charged by the Borrower in favour of the Security Trustee so as to form part of the Security Assets together with details of the Relevant Beneficiary in relation to each item of Designated Properties;
- (b) each release of Fixed Security Assets from the Security Documents;
- (c) any disposition or dealing affecting any Fixed Security Asset including (without limitation) any disposition by operation of law but excluding any letting on a tenancy agreement approved under a Funding Agreement;
- (d) any de-allocation of Property comprised in the Designated Properties of a Beneficiary to the Undesignated Property;
- (e) any re-allocation of Property from the Designated Properties of a Relevant Beneficiary to the Designated Properties of another Relevant Beneficiary; and
- (f) each allocation of Property comprised in the Undesignated Properties to the Designated Properties of a Relevant Beneficiary.

#### **2.6 Inspection**

The Borrower shall make the Security Register in respect of each pool of Designated Properties available for inspection by the Relevant Beneficiaries and the Security Trustee at all reasonable times and upon reasonable notice during business hours at the registered office of the Borrower from time to time. The Borrower shall make the Security Register in respect of Undesignated Security available for inspection on like terms by the Security Trustee.

#### **2.7 Reconciliation**

Not less than once in every successive period of three months falling after the date of this Deed, the Borrower shall deliver to the Security Trustee a copy of the Security Register and a note of any changes to the Security Register since a copy was last delivered to the Security Trustee so as to enable the Security Trustee to reconcile its records to the Security Register.

## 2.8 Reliance

The Security Trustee may rely on the Security Register absolutely without further enquiry or investigation in respect thereof.

## 3. APPLICATION OF PROCEEDS

- (a) Upon the Security Trustee becoming aware that the security constituted by the Security Documents has become enforceable in accordance with their respective terms, the Security Trustee shall notify each Beneficiary (or any Agent acting on behalf of such Beneficiary) as soon as reasonably practicable that such security has become enforceable.
- (b) Any moneys received by the Security Trustee pursuant to the Security Documents or by any Receiver appointed pursuant to any Security Document shall be allocated by the Security Trustee (i) in the case of Designated Security, in accordance with paragraph (c) below and (ii) in the case of Undesignated Security, in accordance with paragraph (d) below.
- (c) Any moneys received by the Security Trustee or by any Receiver appointed by it pursuant to any Security Document in respect of any Beneficiary's Designated Security (together with the Related Security Assets) shall be applied by the Security Trustee in the following order of priority:
  - (i) **first**, in payment of all Relevant Trustee Costs;
  - (ii) **secondly**, in satisfaction when due of the Secured Liabilities (other than Relevant Trustee Costs) owed to the Relevant Beneficiary arising under or in connection with the Funding Agreement relating to such Designated Security in the order of priority set out therein;
  - (iii) **thirdly**, to the extent not recovered under (i) above, in or towards payment of all Trustee Costs;
  - (iv) **fourthly**, in satisfaction when due of the Secured Liabilities owed to each Other Beneficiary arising under or in connection with the Other Funding Agreements in accordance with paragraph (e) below; and
  - (v) **fifthly**, in payment of any surplus to the Borrower.
- (d) Any moneys received by the Security Trustee or by any Receiver appointed by it pursuant to any Security Document in respect of any Undesignated Security (together with the Related Security Assets) shall be applied by the Security Trustee in the following order of priority:
  - (i) **first**, to the extent not recovered under paragraph (c) above, in or towards payment of all Trustee Costs;
  - (ii) **secondly**, to the extent not recovered under paragraph (c) above, in or towards payment of the Secured Liabilities owed to each Beneficiary arising under or in connection with its respective Funding Agreement in accordance with paragraph (e) below; and
  - (iii) **thirdly**, in payment of any surplus to the Borrower.
- (e) Any moneys received by the Security Trustee or by any Receiver appointed pursuant to any Security Document and referred to in paragraphs 3(c)(iv) or 3(d)(ii) above, shall be applied by the Security Trustee by allocating the balance among the Beneficiaries whose Secured Liabilities have not been fully discharged under paragraphs 3(c)(ii) above by reference to their Overall Security Percentages so that the amount allocated to each Beneficiary shall be applied in satisfaction when due of the

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

- (f) It is agreed by all Parties that each Relevant Beneficiary has a prior ranking interest in such Beneficiary's Designated Security including any Related Security Assets and that the interests of the Other Beneficiaries, in each case, are subordinated to this prior claim in the manner set out in paragraph (c) above.
- (g) Not later than three Business Days after any Enforcement Date, each Beneficiary shall notify the Security Trustee of the total outstanding amount due to it under and in connection with each Funding Agreement to which it is a party as at the Enforcement Date, giving such details as the Security Trustee may reasonably require.
- (h) In the case of any Lender which has appointed an Agent to act as agent on its behalf under any Funding Agreement, where the provisions of this Deed require such Lender to take any action, issue or execute any notices, instructions, requests or documents or give or withhold its consent or agreement, such Lender shall act for such purposes exclusively through its Agent and the Agent shall, and shall be empowered to, take such action, issue or execute such notice, instruction, request or document or give or withhold consent or agreement, in each case, on behalf of such Lender in accordance with the provisions of such Funding Agreement having regard to the interests of the other Lenders, if any, party thereto.

#### **4. SECURITY TRUSTEE'S POWERS AND DUTIES**

##### **4.1 Powers and Duties of Security Trustee**

The Security Trustee shall hold the security created under the Security Documents on trust for the benefit of itself and the other Beneficiaries on the terms and subject to the conditions of this Deed and the other Security Documents and shall exercise such rights, powers, remedies and discretions that are specifically created under this Deed and the other Security Documents together with any incidental rights, powers and discretions.

##### **4.2 All action through the Security Trustee**

None of the Beneficiaries shall have any independent power to enforce this Deed or any of the Security Documents or to exercise any rights, discretions or powers or to grant any consents or releases under or pursuant to this Deed or any of the Security Documents or otherwise have direct recourse to the security constituted by any of the Security Documents unless the Security Trustee, having become bound to act, fails to do so within a reasonable period. Any action taken by the Security Trustee in accordance with this Deed or the Security Documents shall be binding on all the Beneficiaries.

##### **4.3 Duty to act as directed**

- (a) The Security Trustee shall only be required to take such action (including, without limitation, the exercise of all rights, discretions or powers and the granting of consents or releases) or, as the case may be, refrain from taking such action under or pursuant to this Deed and the other Security Documents acting:
  - (i) in respect of the timing and determination of an Enforcement Event, on the written instructions of any Beneficiary (or Agent acting on its behalf);

- (ii) in respect of any Designated Security and Related Security Assets, acting on the written instructions of the Relevant Beneficiary (or Agent on its behalf), including, without limitation, regarding the appointment of a Receiver or the manner in which the Security Trustee should manage or dispose of the Properties within such Designated Security including the Related Security Assets; or
- (iii) otherwise, on the joint written instructions of all the Beneficiaries (and/or by any Agent acting on behalf of any relevant Beneficiaries' behalf) (or, to the extent that such joint instructions cannot be agreed, the joint written instructions of a majority of the Beneficiaries (and/or by any Agents acting on their behalf)),

and the Security Trustee will not be liable to any person if it acts in accordance with the instructions of the relevant Beneficiary (or Agent acting on its behalf) as indicated above in connection with the exercise of any right or power or any matter not expressly provided for in this Deed and, in each case, only if it shall be indemnified and/or secured and/or pre-funded to its satisfaction.

- (b) The Security Trustee shall be entitled to seek clarification from the relevant Beneficiaries (and/or from any Agents acting on their behalf) with regard to any such instructions and may, in its discretion, elect not to act pending receipt of such clarification to its reasonable satisfaction from the relevant Beneficiary (or Agent acting on its behalf).
- (c) In the event that a Receiver or administrator is appointed under the Security Documents or an administrator is appointed under the Insolvency Act 1986 and any Beneficiary (or Agent on its behalf) gives written instructions in respect of its Designated Security, the Security Trustee shall act accordingly and, as soon as reasonably practicable, fully inform such Receiver or administrator of the instructions or requests set out above.

#### **4.4 Protections**

Where there are any inconsistencies between the Trustee Acts and the provisions of this Deed, the provisions of this Deed shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of this Deed shall constitute a restriction or exclusion for the purposes of that Act. In particular, the Parties hereby agree that Section 1 of the Trustee Act 2000 shall not apply. The Security Trustee shall have all the powers conferred upon trustees by the Trustee Acts and by way of supplement thereto, it is expressly declared as follows:

- (a) the Security Trustee may, in relation to any of the provisions of this Deed and the other Security Documents, act on the opinion or advice of, or any information obtained from, any lawyer, valuers, surveyor, broker, auctioneer, accountant or other expert whether obtained by the Borrower or by the Security Trustee or otherwise and whether addressed to the Security Trustee or not, and shall not be responsible for any loss occasioned by so acting;
- (b) any opinion, advice or information obtained pursuant to the foregoing paragraph (a) may be sent or obtained by letter, telex message, email, facsimile transmission, electronic mail, 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 although the same shall contain some error or shall not be authentic;
- (c) the Security Trustee may call for and shall be at liberty to accept as sufficient evidence a certificate or notice (including but not limited to a notice in respect of the release of Charged Properties) signed by any two authorised signatories or directors of the Borrower (in accordance with the relevant Funding Agreement) 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;

- (d) 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;
- (e) the Security Trustee shall not be bound to give notice to any person of the execution of any documents comprised or referred to in this Deed and the other Security Documents (other than as expressly required herein or therein) or to take any steps to ascertain whether any Enforcement Event, Default, event of default or potential event of default (howsoever defined in the relevant Finance Document) or any event which causes or may cause a right on the part of the Security Trustee to become exercisable has happened and, until it shall have actual knowledge or express notice pursuant to this Deed to the contrary, the Security Trustee shall be entitled to assume that no Enforcement Event, Default, event of default or potential event of default (howsoever defined in the relevant Finance Document) has occurred or event has happened and that each of the parties are observing and performing all their respective obligations under any Funding Agreement and this Deed and, if it does not have actual knowledge or express notice as aforesaid, the Security Trustee shall not be bound to give notice thereof;
- (f) the Security Trustee shall be at liberty (at its sole discretion) to place all title deeds and other documents certifying, representing or constituting the title to any of the property charged pursuant to the Security Documents for the time being in its hands in any safe deposit, safe or receptacle selected by the Security Trustee or with any bank or company whose business includes undertaking the safe custody of documents or solicitor or firm of solicitors and may at its discretion make any such arrangements as it thinks fit for allowing the Borrower or its solicitors and auditors access to or possession of such title deeds and other documents when necessary or convenient and the Security Trustee shall not be responsible for any Liability incurred in connection with any such deposit, access or possession and the Borrower shall pay all sums reasonably required to be paid on account of or in respect of any such deposit. For the avoidance of doubt, the Security Trustee in its capacity as trustee or otherwise in respect of the Security Documents is not under any obligation to hold any title deed or any other document in connection with the property charged by any Security Document or any other such security in its own possession;
- (g) save as otherwise expressly provided in this Deed and the other Security Documents, but only as between the Security Trustee and the Beneficiaries, the Security Trustee shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Deed and the other Security Documents and every such determination whether made upon a question actually raised or implied in the acts or proceeds of the Security Trustee shall be conclusive and shall bind the Security Trustee and the Beneficiaries save for manifest error;
- (h) save as expressly otherwise provided in this Deed and the other Security Documents, the Security Trustee shall have absolute and uncontrolled discretion as to the exercise or non-exercise of its trusts, rights, powers, authorities and discretions under this Deed and the other Security Documents (the exercise or non-exercise of which as between the Security Trustee and the Beneficiaries shall be conclusive and binding on the Beneficiaries) and shall not be responsible for any Liability which may result from their exercise or non-exercise;

- (i) any trustee of this Deed and the other Security Documents, being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his firm in connection with this Deed or any other Security Document and also his proper charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection with this Deed or any other Security Document;
- (j) the Security Trustee may whenever it thinks fit delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of these presents or not) all or any of its trusts, rights, powers, authorities and discretions under this Deed or any other Security Document. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Security Trustee may in the interests of the Beneficiaries think fit. The Security Trustee shall not be under any obligation to supervise the proceedings or acts of any such delegate or sub delegate or be in any way responsible for any Liability incurred by reason of any misconduct, omission or default on the part of any such delegate or sub-delegate. The Security Trustee shall within a reasonable time after any such delegation or any renewal, extension or termination thereof give notice thereof to the Borrower;
- (k) nothing in this Deed or any other Security Document shall require the Security Trustee, and the Security Trustee shall not be bound, to do anything which may cause it to expend or risk its own funds or otherwise incur any Liability in the performance of any of its duties or in the exercise of any of its rights, powers, authorities or discretions or otherwise in connection with this Deed or any other Security Document, if it shall believe that repayment of such funds is not assured to it or it is not indemnified and/or secured and/or pre-funded to its satisfaction against such Liability and, for this purpose, the Security Trustee may demand prior to taking any such action, that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so to indemnify and/or secure it; and
- (l) the Security Trustee may in the conduct of the trusts pursuant to the Security Documents instead of acting personally employ and pay an agent whether being a solicitor or other person to transact or concur in transacting any business and to do or concur in doing any acts required to be done by the Security Trustee, including the receipt and payment of money. The Security Trustee shall not be under any obligation to supervise the proceedings or acts of any such agents or be in any way responsible for any Liability incurred by reason of any misconduct, omission or default on the part of any such agent.

#### **4.5 Performance by the Borrower**

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 it or any express notice to it to the contrary) that the Borrower is duly performing and observing all the covenants, conditions, provisions and obligations contained in this Deed and the Security Documents to which it is party and/or in respect of the Secured Liabilities and on its part to be performed and observed.

## **5. TRUST AND PROCEEDINGS**

### **5.1 Trust**

The Security Trustee shall hold the security constituted by the Security Documents with effect from the date of this Deed on trust for itself and the Beneficiaries in accordance with and subject to this Deed.

### **5.2 Proceedings**

The Security Trustee shall not enforce the security constituted by any Security Document or take any other action under or in relation to this Deed or any Security Document except as directed in accordance with Clause 4.3 (*Duty to act as directed*) above and then only if it shall be indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable and which it may incur by so doing.

### **5.3 Duration**

The trust constituted by this Deed shall remain in full force and effect until whichever is the earlier of:

- (a) the expiration of a period of 125 years from the date of this Deed; and
- (b) the date on which the Security Trustee receives unconditional confirmation in writing from all the Beneficiaries that there is no longer outstanding any Secured Liabilities, such confirmation to be provided by the Beneficiaries promptly after the occurrence of the same;

and the Parties declare that the perpetuity period applicable to this Deed shall for the purposes of the Perpetuities and Accumulations Act 2009 be the period of 125 years.

## **6. REMUNERATION AND INDEMNIFICATION OF SECURITY TRUSTEE**

### **6.1 Remuneration**

The Borrower shall pay to the Security Trustee remuneration for its services in acting in its capacity as security trustee for and on behalf of the Beneficiaries, upon the terms and conditions of the letter dated on or about the date of this Deed between the Security Trustee and the Borrower.

### **6.2 Additional Remuneration**

In the event of a Default or an Enforcement Event or the Security Trustee being requested by the relevant Beneficiary or Beneficiaries or considering it necessary or expedient to undertake duties which the Security Trustee determines to be of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee under the Security Documents and this Deed, the Borrower shall pay to the Security Trustee such additional remuneration as shall be agreed between them.

### **6.3 Tax in respect of Remuneration**

The Borrower shall in addition pay to the Security Trustee an amount equal to the amount of any value added tax or similar tax chargeable in respect of its remuneration under this Deed.

#### **6.4 Remuneration Disputes**

In the event of the Security Trustee and the Borrower failing to agree (in a case to which Clause 6.2 (*Additional Remuneration*) is applicable), such matter shall be determined by a person (acting as an expert and not as an arbitrator) selected by the Security Trustee and approved by the Borrower or, failing such approval, nominated (on the application of the Security Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such person being payable by the Borrower) and the determination of any such person shall be final and binding upon the Security Trustee and the Borrower.

#### **6.5 Security Trustee's Expenses**

- (a) Without prejudice to any similar liability contained in any Security Document and the right of indemnity by law given to trustees, the Borrower shall also pay or discharge all Liabilities to which the Security Trustee and every Appointee may become subject or which may be incurred in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Deed, including but not limited to legal and travelling expenses and any stamp and other taxes or duties paid by the Security Trustee and in connection with any legal proceedings brought or contemplated by the Security Trustee for enforcing the security constituted by the Security Documents or against the Borrower for enforcing any obligations under the other Security Documents and this Deed.
- (b) Without limiting the liability of the Borrower under the Finance Documents, each Beneficiary shall, forthwith on demand, indemnify and/or secure and/or pre-fund the Security Trustee for that Beneficiary's Relevant Proportion of any Liability incurred by the Security Trustee in any way relating to or arising out of its acting as the Security Trustee (except to the extent any such cost, charge, liability or other expense results from the gross negligence or wilful misconduct of the Security Trustee). The Security Trustee shall notify the Beneficiaries of their respective proportions of any Liability promptly after determination thereof.

#### **6.6 Timing of Payments**

All Liabilities properly incurred and payments made by the Security Trustee in the exercise of the powers and duties conferred upon it by the other Security Documents and this Deed and all remuneration payable to the Security Trustee shall be payable by the Borrower within 30 Business Days after demand and, in the case of the payments actually made by the Security Trustee prior to such demand, shall, if not paid within 30 Business Days after such demand, carry interest at the rate of two per cent. per annum above the base rate of the Bank of England from the date of the same being demanded, and in all other cases shall carry interest at such rate from the date 30 days after the date of the same being demanded or (where the demand specifies that payment be made on an earlier date) from such earlier date.

#### **6.7 Indemnity**

The Borrower shall indemnify on demand the Security Trustee and every Appointee appointed by it under this Deed and the other Security Documents (each an **Indemnified Party**) against all Liabilities (including legal fees) properly incurred by it or him in the execution of the powers and trusts contained in this Deed and the other Security Documents or of any powers, authorities or discretions vested in it or him pursuant to this Deed and the other Security Documents and against all Liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted to be done in any way relating to this Deed and the other Security Documents, save where the same has arisen from the Security Trustee's gross negligence, wilful default or fraud.

## **6.8 Provisions Continuing**

Unless otherwise specifically stated in any discharge of the other Security Documents and this Deed the provisions of this Clause 6 shall continue in full force and effect notwithstanding such discharge.

## **7. SECURITY TRUSTEE'S LIABILITY**

### **7.1 Standard of Care**

Nothing contained in the Security Documents shall in any case in which the Security Trustee has failed to show the degree of care and diligence required of it as trustee of the Security Documents having regard to the provisions of the Security Documents conferring on it any trusts, powers, authorities or discretions exempt the Security Trustee from or indemnify it against any liability in respect of such failure or, in any case, for breach of trust of which it may be guilty in relation to its duties under the Security Documents.

### **7.2 Consequential Loss**

Subject to Clause 7.1 (*Standard of Care*), the Security Trustee shall not in any event be liable for any special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to loss of profits) and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise. However, this Clause 7.2 shall not apply in the event of a determination of fraud, gross negligence or wilful default on the part of the Security Trustee.

### **7.3 Responsibility for documentation**

The Security Trustee shall not be responsible to any other Party for:

- (a) the execution, genuineness, validity, enforceability or sufficiency of any Finance Document or any other document;
- (b) the collectability of amounts payable under any Finance Document; or
- (c) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document.

### **7.4 Exoneration**

- (a) Without limiting paragraph (b) below and without prejudice to Clause 7.1 (*Standard of Care*) above, the Security Trustee will not be liable to any other Party for any action taken or not taken by it under, or in connection with, any other Security Document, unless directly caused by its wilful misconduct or its gross negligence.
- (b) No Party may take any proceedings against any officer, employee or agent of the Security Trustee in respect of any claim it might have against the Security Trustee or in respect of any act or omission of any kind by that officer, employee or agent in relation to this Deed or any Security Document. However, this paragraph (b) shall not apply in the event of a determination of fraud, gross negligence or wilful default on the part of the Security Trustee.

### **7.5 Reliance**

The Security Trustee may:

- (a) rely on any notice or document believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper person;
- (b) rely on any statement made by a director or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify; and
- (c) engage, pay for and rely on legal or other professional advisers selected by it (including those in the Security Trustee's employment and those representing a Party other than the Security Trustee).

## **7.6 Credit approval and appraisal**

Without affecting the responsibility of the Borrower for information supplied by it under, or in connection with, any Finance Document, each Party confirms that:

- (a) it has made its own independent investigation and assessment of the financial condition and affairs of the Borrower and related entities in connection with its participation in any relevant Finance Document; and
- (b) it will continue to make its own independent appraisal of the creditworthiness of the Borrower and its related entities.

## **7.7 Information**

- (a) The Security Trustee shall promptly forward to the person concerned the original or a copy of any document which is delivered to the Security Trustee by a Party for that person.
- (b) The Security Trustee is not obliged to review or check the accuracy or completeness of any document it sends to another Party.
- (c) Except as provided above, the Security Trustee has no duty:
  - (i) either initially or on a continuing basis to provide any Beneficiary with any credit or other information concerning the financial condition or affairs of the Borrower or its related entities, whether coming into its possession before, on or after the date of this Deed; or
  - (ii) unless specifically requested to do so by a Beneficiary in accordance with the express terms of this Deed, to request any certificates or other documents from the Borrower.
- (d) The Borrower covenants that it shall send to each applicable Beneficiary (or Agent on its behalf) copies of each communication that it sends to the Security Trustee under this Deed and the Security Documents, at the same time that it sends such communication to the Security Trustee, provided that the Borrower shall not be obliged to report more frequently than quarterly in relation to changes to the Security Register and matters required to be recorded on the Security Register.

## **7.8 Conflict**

The Security Trustee may:

- (a) carry on any business with the Borrower or its related entities;
- (b) act as agent or trustee for, or in relation to any financing involving, the Borrower or its related entities;

- (c) retain any profits or remuneration in connection with its activities under the Finance Documents or in relation to any of the foregoing; and
- (d) release any Charged Property and Related Security Assets or any Security Assets in accordance with this Deed and the other Security Documents and/or re-allocate Charged Properties and Related Security Assets pursuant to this Deed.

## **7.9 Security Trustee**

- (a) The Security Trustee is not liable for any failure, omission or defect in perfecting the security constituted by any Security Document, including failure to (i) register the same in accordance with the provisions of any of the documents of title or title deeds of the Borrower to any of the property thereby charged or (ii) effect or procure registration of or otherwise protect any Security Document or any security created by a Security Document under the Land Registration Acts 1925-2002 or any other registration laws in any jurisdiction.
- (b) The Security Trustee may accept without enquiry such title as the Borrower may have to the Security Assets.
- (c) The Security Trustee will use all reasonable care to ensure the safe custody of all such title deeds, Finance Documents and other documents which are in its possession but will not be liable for the damage or destruction of any such deeds or documents save where caused by the gross negligence of the Security Trustee or any of its employees, servants or agents.
- (d) Save as otherwise provided in the Finance Documents, all moneys which under the trusts therein contained are received by the Security Trustee in its capacity as trustee or otherwise may be invested in the name of or under the control of the Security Trustee either (i) in any investments for the time being authorised by English law for the investment by trustees of trust money or (ii) in any other investments, in each of cases (i) and (ii) above, as directed by the relevant Beneficiaries (or any Agent acting on their behalf), or which may be selected by the Security Trustee. Additionally, the same may be placed on deposit in the name of or under the control of the Security Trustee, but only if directed by the relevant Beneficiaries at such bank or institution (including the Security Trustee or one of its affiliates) and upon such terms, as directed by the relevant Beneficiaries or, as the Security Trustee may think fit.

## **8. WAIVER; AUTHORISATION; MODIFICATIONS**

### **8.1 Variations**

The Security Trustee shall, but only on the instructions of all the Beneficiaries (or Agents acting on their behalf) communicated in writing, and without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time and subject to being indemnified and/or secured and/or pre-funded to its satisfaction, waive or authorise on such terms and subject to such conditions as all the Beneficiaries may specify any breach or proposed breach by the Borrower or any other party of any of the covenants or provisions contained in the other Security Documents and this Deed provided however that if the matter relates to a Charged Property and any Related Security Assets, then the written instructions of the Beneficiaries required shall be as set out in Clause 4.3 (*Duty to act as directed*).

### **8.2 Amendments**

The Security Trustee shall, but only on the instructions of all the Beneficiaries (or Agents acting on their behalf) from time to time communicated in writing (or if and to the extent expressly authorised by any other provision of any relevant Security Document), concur with the Borrower and/or any

other person in making any amendment or modification to the other Security Documents and this Deed provided as aforesaid in Clause 8.1 (*Variations*) (subject in all cases to being indemnified and/or secured and/or pre-funded to its satisfaction). Any such modification shall be binding upon the other Parties and shall be notified to the other Parties as soon as practicable thereafter.

## **9. SECURITY TRUSTEE'S RETIREMENT AND REMOVAL**

- (a) The Security Trustee may retire at any time on giving not less than 60 days' prior written notice to the other Beneficiaries and the Borrower without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement.
- (b) The Beneficiaries may remove the Security Trustee for the time being of this Deed following consultation with the Borrower and by giving 90 days' prior written notice.
- (c) The Borrower undertakes that in the event of the only security trustee of this Deed which is a Trust Corporation giving notice under this Clause or being removed by the Beneficiaries it will use all reasonable endeavours to procure that a new security trustee of this Deed being a Trust Corporation is appointed as soon as reasonably practicable thereafter. The retirement or removal of any such security trustee shall not become effective until a successor security trustee being a Trust Corporation is appointed. If, in such circumstances, no appointment of such a new security trustee has become effective within 30 days of the date of the relevant notice, the Security Trustee shall be entitled to appoint a Trust Corporation as security trustee of this Deed, but no such appointment shall take effect unless previously approved by the Beneficiaries.
- (d) The retiring Security Trustee must, at the Borrower's cost, 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 the Security Trustee under the Finance Documents.
- (e) Upon its resignation becoming effective, the Security Trustee, subject to paragraph (d) above, will have no further obligations under any Finance Document. Upon its resignation becoming effective, the indemnities and protections in favour of the Security Trustee set out in this Deed will continue to benefit the retiring Security Trustee in respect of any action taken or not taken by it in connection with the Finance Documents while it was the Security Trustee, and, subject to paragraph (d) above, it will have no further obligations under any Finance Document.

## **10. SECURITY TRUSTEE'S ADDITIONAL POWERS**

The powers conferred upon the Security Trustee by the other Security Documents and this Deed shall be in addition to any powers which may from time to time be vested in the Security Trustee by the general law or as a party to any of the other Finance Documents.

## **11. TRANSFERS**

### **11.1 Successors and Assigns**

This Deed is binding on the successors and permitted transferees and assigns of the Parties hereto.

### **11.2 Transfer by the Beneficiaries**

Each Party to this Deed agrees and acknowledges that the Beneficiaries may assign or transfer their respective rights, liabilities and/or obligations under this Deed in accordance with the provisions of the relevant Funding Agreement provided that (a) such assignment or transfer is in connection with the disposal of corresponding rights, liabilities and/or obligations under the relevant Funding

Agreement (including, an assignment by way of security to any security agent of a Lender) and (b) the person to whom such assignment or transfer is made accedes to this Deed by delivering to the Security Trustee a duly dated and executed Deed of Accession in the form of Schedule 1. Each Party irrevocably authorises the Security Trustee to accept such Deed of Accession (in the form of Schedule 1) on its behalf provided that such authorisation does not extend to the acceding party named in such Deed of Accession.

### **11.3 References to a Party following a transfer**

If any Party transfers all or any of its rights and/or obligations as provided in Clauses 9 or 11.2, all relevant references in this Deed and the other Security Documents to such Party shall thereafter be construed as a reference to such Party and/or the new Party to the extent of their respective rights and/or obligations and, in the case of a transfer of all or part of such Party's rights or obligations, the other parties to this Deed and the other Security Documents shall thereafter look only to the new Party in respect of that proportion of that Party's rights or obligations under this Deed and/or any relevant Security Documents as corresponds to the rights or obligations assumed by such new Party.

### **11.4 No assignment by the Borrower**

The Borrower may not assign or transfer any of its rights or obligations under this Deed.

## **12. EFFECT OF THIS DEED AND CHANGE OF PARTIES**

### **12.1 Consent and agreement to arrangements**

Each of the Parties joins in this Deed for the purpose of acknowledging the provisions of this Deed and undertakes with the Security Trustee and each of the other Parties to observe the provisions of this Deed at all times and not in any way to prejudice or affect the enforcement of such provisions or do or suffer anything within its control which would be in breach of the terms of this Deed.

### **12.2 New Parties**

- (a) Without prejudice to Clause 11.2 (*Transfer by the Beneficiaries*):
- (i) the Borrower may propose that any entity becomes a Lender or Agent provided that the other provisions of this Deed are complied with, including, without limitation, Clause 2.1; and
  - (ii) the Borrower will procure that any entity which becomes a Lender or Agent under or in respect of any Funding Agreement after the date of this Deed, executes and delivers a Deed of Accession in the form set out in Schedule 1.
- (b) Upon receipt by the Security Trustee of the duly completed and executed documents referred to in Clause 12.2(a), the Security Trustee shall execute the Deed of Accession. Each of the parties acknowledge and agree that any Deed of Accession delivered pursuant to this Clause 12.2 shall (subject to paragraph (c) below) take effect upon its execution by the Security Trustee.
- (c) An entity which is proposed as a Lender or Agent shall become a Lender or Agent, respectively, upon the Accession Date.

## **13. NOTICES**

- (a) Any communication in connection with this Deed must be in writing and, unless otherwise stated, may be given in person, by post, by fax or by email.

- (b) Unless it is agreed to the contrary, any consent or agreement required under this Deed must be given in writing.
- (c) Except as provided below, the contact details of each Party for all communications in connection with this Deed are those notified by that Party for this purpose to the Security Trustee on or before the date it becomes a Party.
- (d) The contact details of each Party for this purpose are set out under its name in the execution clause or in the relevant Deed of Accession, as applicable.
- (e) Except as provided below, any communication in connection with this Deed will be deemed to be given as follows:
  - (i) if delivered in person, at the time of delivery;
  - (ii) if posted, five days after being deposited in the post, postage prepaid, in a correctly addressed envelope;
  - (iii) if by fax, when received in legible form; and
  - (iv) if by email, when received in readable form.
- (f) A communication given under paragraph (e) above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.
- (g) A communication to the Security Trustee or a Beneficiary (or an Agent on its behalf) will only be effective on actual receipt by it.

#### **14. FURTHER ASSURANCES**

The Borrower shall, at its own expense, take whatever action the Security Trustee or a Receiver or any Beneficiary may reasonably require for:

- (i) perfecting or protecting the security intended to be created by the Security Documents to which it is party over any Security Asset or any part thereof; or
- (ii) facilitating the realisation of any Security Asset or the exercise of any right, power or discretion exercisable, by the Security Trustee or any Receiver or any of its or their delegates or sub-delegates in respect of any Security Asset,

including, without limitation, the execution of any transfer, conveyance, disposition, assignment, assignation or assurance of any property whether to the Security Trustee or to its nominees, and the giving of any notice, order or direction and the making of any registration, which, in any such case, the Security Trustee or any Beneficiary may reasonably require.

#### **15. COUNTERPARTS**

This Deed may be executed in any number of counterparts, and by the Parties on separate counterparts, each of which shall constitute an original but all of which taken together shall be deemed to constitute one and the same instrument.

**16. GOVERNING LAW**

This Deed, and any non-contractual obligations or matters arising from or connected with it, shall be governed by, and construed in accordance with, English law.

**17. SUBMISSION TO JURISDICTION**

Each of the Parties hereto irrevocably agrees that the courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed (including a dispute relating to any non-contractual obligations arising out of or in connection with this Deed) and accordingly submit to the exclusive jurisdiction of the English courts. Each of the Parties waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Security Trustee may take any suit, action or proceeding arising out of or in connection with this Deed against each of the other Parties in any other court of competent jurisdiction and concurrent proceedings in any number of jurisdictions.

**18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

**IN WITNESS** whereof this Deed has been executed as a deed by the Parties and entered into the day and year first above written.

## SCHEDULE 1

### DEED OF ACCESSION

**THIS DEED OF ACCESSION** dated [●] is supplemental to a security trust deed (the **Deed**) dated 25th July, 2013 originally made between Prudential Trustee Company Limited as security trustee, Poplar Housing and Regeneration Community Association Limited as borrower and Poplar HARCA Capital Plc as a lender (as the same may from time to time be amended, restated, novated or supplemented).

Words and expressions defined in the Deed have the same meaning when used in this Deed of Accession.

1. [On the date hereof [●] (the **Existing Beneficiary**) has [[transferred [all/a portion] of] the £[●] facility provided to [●] on [●]] to [●] (the **New Beneficiary**).][On the date hereof [●] (the **Existing Agent**) has resigned as Agent under the Finance Documents to which it is a party.]
2. [The New Beneficiary][[●] (the **New [Beneficiary][Agent]**)], in its capacity as [●] under the Funding Agreement (as designated below) hereby agrees with each other person who is or who becomes a party to the Deed that, with effect on and from the date hereof, it will observe and be bound by the Deed [and the other Finance Documents to which the New [Beneficiary][Agent] is expressed to be a party] as [●] as if it had been an original party to the Deed in that capacity.
3. [The following agreement is hereby designated as an **Additional Funding Agreement** for the purposes of the Deed:  
  
[describe agreement]]
4. The address for notices of the New [Beneficiary][Agent] for the purposes of Clause 13 of the Deed [and the other Finance Documents to which the New [Beneficiary][Agent] is expressed to be a party] is:  
  
[●]

This Deed of Accession shall be read as one with the Deed so that any reference therein to "this Deed" and similar shall include and be deemed to include this Deed of Accession.

This Deed of Accession may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and any party may enter into this Deed of Accession by executing a counterpart.

This Deed of Accession, and any non-contractual obligations or matters arising from or connected with it, is governed by and shall be construed in accordance with, English law.

#### **EXECUTED and DELIVERED**

as a **DEED** by [●]

acting by two authorised signatories

Authorised Signatory [            ]

Authorised Signatory [            ]

Given under the  
**COMMON SEAL** of  
**PRUDENTIAL TRUSTEE COMPANY LIMITED**  
in the presence of

## SCHEDULE 2

### ADDITIONAL PROPERTY CONDITIONS PRECEDENT

1. A certified copy of the consent of the Regulator under Section 172 of the Housing and Regeneration Act to the entry into by the Borrower of the Security Agreement.
2. If appropriate, 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 Properties to be charged pursuant to such Security Agreement (the **Relevant Properties**).
3. If appropriate, a copy of the consent from the Secretary of State for the Environment under Section 171D(2) and (3) of the Housing Act 1985.
4. A Valuation Report in respect of each Relevant Property addressed to the Security Trustee confirming the Value of the Relevant Properties based on a valuation conducted pursuant to the relevant bases for the purposes of the Funding Agreements.
5. A Certificate of Title relating to the title and deeds to the Relevant Properties, duly prepared and executed by the solicitors acting for the Borrower which may be on the basis of a sample of Properties to be charged if agreed between the Borrower and the Security Trustee.
6. A sampling methodology letter duly prepared and executed by the Borrower and the solicitors acting for the Borrower setting out the basis of any agreed sampling of the Relevant Properties for the purposes of a Certificate of Title in the form agreed between the Borrower and the Security Trustee.
7. A Letter of Undertaking relating to the title, Land Registry registrations and the deeds to the Relevant Properties, duly executed by the solicitors acting for the Borrower.
8. Land Registry searches or, if appropriate, clear Land Charges Searches showing no adverse entries affording priority to the Security Trustee for a period of not less than ten Business Days following the date upon which the relevant Security Agreement is entered into, against each Relevant Property or part thereof to be charged, the title to which is, in each case, registered or which is unregistered and in respect of which an application for first registration is to be lodged at the Land Registry.
9. Copies of policies, certificates or cover notes relating to each contract or policy of insurance taken out by or on behalf of the Borrower or in which the Borrower has an interest and which relates to the Relevant Properties to be charged and evidence satisfactory to each Beneficiary that a note of the Security Trustee's interest has been endorsed upon each such contract or policy of insurance in accordance with the Security Agreement.
10. A copy of the forms of each tenancy agreement used by the Borrower at the Relevant Property.
11. Evidence of an effective discharge of all mortgages, charges, standard securities and liens (other than pursuant to a Security Document) affecting the Borrower's interests in the Relevant Properties or, in connection with any existing floating charge, a certificate of non-crystallisation from, and, where appropriate, the necessary consent of the relevant chargee in respect thereof.
12. Such other authorisations, documents, opinions or assurances (including, without limitation, structural surveys and environmental reports) which the Security Trustee or any Agent reasonably considers to be necessary or desirable.

### SCHEDULE 3

#### SECURITY CERTIFICATE

To: [[●] as agent for the [Lenders]][[Lender] as lender] under the [loan][ISDA] agreement between, amongst others, [●] and [●] dated [●] (the **Funding Agreement**)

From: Poplar Housing and Regeneration Community Association Limited as Borrower

Cc: Prudential Trustee Company Limited as Security Trustee

Dated: [●]

**Security Trust Deed dated 25th July, 2013 (as supplemented, amended and novated, the Security Trust Deed) entered into by [(amongst others)] Poplar Housing and Regeneration Community Association Limited, Prudential Trustee Company Limited and Poplar HARCA Capital Plc**

Words and expressions used in this certificate have the same meaning when used in the Funding Agreement or in the Security Trust Deed, as relevant.

This is the certificate referred to in Clause 2 of the Security Trust Deed.

In accordance with the Security Trust Deed, the Charged Properties scheduled hereto have been allocated to your Designated Security as at the date of this certificate.

Signed by (as confirmation of agreement and confirmation that the schedule of Charged Properties attached hereto is complete and accurate):

Poplar Housing and Regeneration Community Association Limited  
as Borrower

Agreed by:

[●]  
[as agent for the [Lenders]][[as Lender] under the Funding Agreement.

Agreed by:

Prudential Trustee Company Limited  
as Security Trustee

## Schedule of Charged Properties

*[insert]*

**SCHEDULE 4**  
**FORM OF SECURITY AGREEMENT**

**SECURITY AGREEMENT**

**DATED [●]**

**POPLAR HOUSING AND REGENERATION COMMUNITY ASSOCIATION LIMITED**  
**as Chargor**

**and**

**PRUDENTIAL TRUSTEE COMPANY LIMITED**  
**as Security Trustee**

**Subject to a Security Trust Deed dated 25th July, 2013**

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**THIS DEED** is dated [●]

**BETWEEN:**

- (1) **POPLAR HOUSING AND REGENERATION COMMUNITY ASSOCIATION LIMITED**, a company limited by guarantee incorporated under the laws of England and Wales (with registered number 3249344) and registered with the Regulation Committee of the Homes and Communities Agency under the Housing and Regeneration Act 2008, as amended by the Localism Act 2011, (with registered number L4170) whose registered office is at 167a East India Dock Road, London E14 0EA (the **Chargor**); and
- (2) **PRUDENTIAL TRUSTEE COMPANY LIMITED** whose registered office is at Laurence Pountney Hill, London EC4R 0HH as trustee of the security constituted under this Deed for itself and the Beneficiaries (as defined below) in accordance with the Security Trust Deed (the **Security Trustee**, which expression shall include any person or company 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).

**BACKGROUND:**

- (A) By a [loan][ISDA] agreement dated [●] and made between[, *inter alios*,] the Chargor and [●] as Lender, the Lender agreed to make certain [credit facilities] available to the Chargor.
- (B) It is contemplated that further credit facilities may also be made available to the Chargor by the Lenders in the future.
- (C) It is a condition precedent to the granting of the [credit facility] referred to in (A) above that the Chargor enters into this Deed.
- (D) The Chargor has entered into a security trust deed on [or about the date of this Deed][25th July, 2013] made between the Security Trustee, the Chargor and Poplar HARCA Capital Plc (the **Security Trust Deed**) pursuant to which the Chargor and the other parties thereto have agreed to regulate their rights under the credit facilities and in relation to the Security Documents (as defined in the Security Trust Deed).
- (E) It is intended by the parties to this Deed that this document will take effect as a deed despite the fact that a party may only execute this document under hand.

**IT IS AGREED** as follows:

**1. INTERPRETATION**

**1.1 Definitions**

In this Deed:

**Additional Funding Agreement** means any other loan agreement and/or hedging arrangement entered into after the date of the Security Trust Deed between a Lender or Lenders, an Agent (if any) and the Chargor and designated by the parties thereto as an **Additional Funding Agreement** for the purposes of the Security Trust Deed;

**Additional Lender** means an entity which becomes a party to a Funding Agreement, in its capacity as lender or, as the case may be, the arranger or provider of hedging arrangements, and accedes to the Security Trust Deed in accordance with Clause 12.2 (*New Parties*) of the Security Trust Deed;

**Additional Security Agreement** means each security agreement between the Chargor and the Security Trustee entered into after the date of the Security Trust Deed under which, *inter alia*, the Chargor creates a fixed charge over certain Properties belonging to it and a fixed charge and/or assignment by way of security over certain Related Security Assets, in each case, in favour of the Security Trustee as security for the Chargor's obligations under certain Finance Documents;

**Agent** means an entity which acts in its capacity as agent for any Lender party to a Funding Agreement and accedes to the Security Trust Deed in its capacity as an agent in accordance with Clause 12.2 (*New Parties*) of the Security Trust Deed);

**Beneficiary** means:

- (a) the Original Lender and the Security Trustee (either individually or collectively and, in the case of the Original Lender, in its capacity as lender pursuant to or in connection with the Original Loan Agreement); and
- (b) each Additional Lender, the Security Trustee and each Agent acting on behalf of any such Lender (either individually or, where the context requires, collectively and, in the case of each Additional Lender, in the capacity of lender, arranger and/or provider of hedging arrangements, as the case may be, pursuant to or in connection with an Additional Funding Agreement);

**Business Plan** means any business plan delivered from time to time on behalf of the Chargor to any Beneficiary (or Agent on its behalf) pursuant to, and in accordance with the terms of, any Funding Agreement;

[**Deed of Arrangement** means the deed entered into in respect of priority of floating charges dated on or about the date of the Security Trust Deed between the Chargor, The Law Debenture Trust Corporation p.l.c. and the Security Trustee;][*To be included in respect of the initial Security Agreement only*]

**Designated Security** means, in relation to any Beneficiary (a **Relevant Beneficiary**), any Security Assets the proceeds of which are allocated for application in reduction of the Secured Liabilities of that Beneficiary in accordance with Clause 2 (*Designation of Security Assets*) of the Security Trust Deed;

**Enforcement Event** means any event, howsoever described, specified in a Finance Document as an event upon the occurrence of which the relevant Beneficiary or group of Beneficiaries to whom such Finance Document relates becomes entitled:

- (a) to call for early repayment of all or any of the Secured Liabilities under such Finance Documents; and/or
- (b) to terminate all or any of the transactions entered into pursuant to such Finance Document (but excluding any interest rate arrangement entered into by the relevant Beneficiary to which the Chargor is not a party unless such Beneficiary becomes entitled to terminate the same as a consequence of a default (howsoever described) by the Chargor under the terms of the Finance Document prior to the scheduled maturity thereof); and/or

- (c) to require the Security Trustee to enforce any of the Security Documents constituting such Beneficiary's Designated Security;

**Existing Floating Charge** means the floating charge granted by the Chargor in favour of The Law Debenture Trust Corporation p.l.c., dated 23rd March, 1998;

**Finance Document** means:

- (a) each Funding Agreement;
- (b) each Security Document; and
- (c) any other document designated as a Finance Document in accordance with the terms of a Funding Agreement;

**[Fixed Security Assets** means all Security Assets which are subject to or are intended to be subject to fixed security created pursuant to this Deed;][*To be included where this Deed also contains a floating charge*]

**Fixtures** means, in relation to any freehold or leasehold property charged by or pursuant to this Deed, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time thereon owned by the Chargor;

**Funding Agreement** means the Original Loan Agreement and each Additional Funding Agreement;

**Insurances** means all contracts and policies of insurance of whatever nature which are from time to time taken out by or with the authority and on behalf of the Chargor in connection with the Mortgaged Property;

**Lenders** means the Original Lender and each Additional Lender;

**Letting Document** means any lease, tenancy or licence to occupy or any agreement for any of the same from time to time granted or entered into by the Chargor or any predecessor in title of the Chargor in respect of the Mortgaged Property referred to in Clause 2 (*First Fixed Charge*) and any licence, consent or approval given thereunder;

**Mortgaged Property** means the property hereby legally mortgaged and any other freehold or leasehold property charged by way of fixed charge under this Deed;

**Original Lender** means Poplar HARCA Capital Plc;

**Original Loan Agreement** means the loan agreement dated on or about the date of the Security Trust Deed between the Original Lender, the Chargor and the Security Trustee;

**Property** means all estates or interests of the Chargor in any freehold, heritable or leasehold property wheresoever situate now or in future belonging to it and all buildings, fixtures, fittings (other than tenants fixtures and fittings) and fixed plant and machinery from time to time thereon (and **Properties** shall be construed accordingly);

**Planning Acts** means **the Consolidating Acts** as defined in the Planning (Consequential Provisions) Act 1990 and shall include any orders, rules and regulations made under or by virtue of such Acts or any of them;

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

**Receiver** means an administrative receiver, a receiver and manager or a receiver, in each case appointed under this Deed;

**Related Security Assets** in relation to any Unit or Mortgaged Property, means all rights, title and interest of the Chargor in, to and under fixed plant and machinery, insurances, licences consents and authorisations, Letting Documents and security thereunder, warranties and all other agreements, rights and assets, in each case, related to such Unit or Mortgaged Property and the subject of the security created under any Security Document;

**Relevant Agreement** has the meaning given to it in Clause 4 (*Assignment*);

[**Remaining Site** has the meaning given to it in Clause 19.3 (*Deed of Grant*);]

**Request** means any request for further advances made by the Chargor party hereto, to any Lender under, and pursuant to the terms of, a Funding Agreement;

[**Rights** has the meaning given to it in Clause 19.3 (*Deed of Grant*);]

**RPI** means the index entitled "United Kingdom General Index of Retail Prices" (January 1987 = 100) (for all items) published by the Office for National Statistics (or, if that index is not published at any time, such other comparable or replacement index as the Security Trustee may reasonably specify);

**Rules** means the memorandum and articles of association of the Chargor as may be amended from time to time;

**Secured Liabilities** means all present and future obligations and liabilities (whether actual or contingent) owed by the Chargor to any Beneficiary under the Finance Documents;

**Security Agreement** means:

- (a) this Deed;
- (b) each Additional Security Agreement; and
- (c) each Supplemental Legal Charge;

**Security Assets** means all assets, rights, property and undertakings of the Chargor mortgaged, charged, assigned or the subject of any security created pursuant to this Deed;

**Security Document** means:

- (a) each Security Agreement;
- (b) the Security Trust Deed; and
- (c) any other document creating, evidencing or granting any guarantee or security in support of the obligations of the Chargor under the Finance Documents;

**Security Interest** means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest, or any other agreement having the effect of conferring security;

**Security Period** means the period beginning on the date hereof and ending on the date upon which the Security Trustee (acting reasonably) determines that all the Secured Liabilities which have arisen or may arise have been unconditionally and irrevocably paid and discharged in full or the security hereby created has been unconditionally and irrevocably released and discharged;

**Supplemental Legal Charge** means each fixed legal charge executed by the Chargor in favour of the Security Trustee entered into after the date of this Deed in respect of additional Properties;

**Taxes** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest); and

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

## 1.2 Construction

- (a) The provisions of Clause 1.2 (*Construction*) of the Security Trust Deed apply to this Deed as though they were set out in full in this Deed except that references to **this Deed** shall be construed as references to this Deed.
- (b) Unless otherwise defined or the contrary intention appears, a term used in the Security Trust Deed or in any notice given under, or in connection with, the Security Trust Deed has the same meaning in this Deed as in the Security Trust Deed or notice.
- (c) Unless otherwise defined or the contrary intention appears, a term used in any other Finance Document or in any notice given under, or in connection with, any Finance Document has the same meaning in this Deed as in that Finance Document or notice.
- (d) The terms of the documents under which the Secured Liabilities arise and of any side letters between the parties hereto in relation thereto are incorporated herein to the extent required for any purported disposition of the Mortgaged Property contained herein to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989 (but for no other purpose and to no greater extent).
- (e) If the Security Trustee, having taken legal advice where appropriate, considers that an amount paid to the Security Trustee or the Beneficiaries for application in or towards repayment of the Secured Liabilities is capable of being, and is likely to be, avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise, then such amount shall not be considered to have been irrevocably paid for the purposes hereof.
- (f) The rights, obligations, liabilities, responsibilities, protections, powers, exoneration of, and exercise of any discretion and standard of care to be expected from, the Security Trustee are in each case subject to the Security Trust Deed and, in the event of conflict between this Deed and the Security Trust Deed, the Security Trust Deed will prevail in all respects.

## 1.3 Certificates

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

## 2. **FIRST FIXED CHARGE**

All the security created under this Deed is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

The Chargor, as security for the payment and discharge of all Secured Liabilities, charges in favour of the Security Trustee for the benefit of itself and the Beneficiaries:

- (a) by way of a first legal mortgage all the property referred to in Schedule 1 together with all buildings and Fixtures, erections and structures thereon, or in the course of construction thereon, the proceeds of sale of all or any part thereof and (so far as the same are capable of being mortgaged) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor and any moneys paid or payable in respect of such covenants; and
- (b) by way of first fixed charge:
  - (i) all fixed plant and machinery now or in the future owned by the Chargor and its interest in any fixed plant or machinery in its possession, in each case which form part of or are operated by the Chargor on the Mortgaged Property;
  - (ii) all benefits in respect of the Insurances and all claims and returns of premiums in respect of the Mortgaged Property;
  - (iii) the benefit of all present and future licences, consents and authorisations (statutory or otherwise) held in connection with its business so far as it relates to the [Fixed] Security Assets or the use of any of the [Fixed] Security Assets specified in paragraph (a) and subparagraph (i) above and the right to recover and receive all compensation which may at any time become payable to it in respect thereof; and
  - (iv) if and in so far as the legal mortgages set forth in paragraph (a) above or the assignments set forth in Clause 4 (*Assignment*) shall for any reason be ineffective as legal mortgages or assignments, the assets referred to in those clauses.

## 3. **[FLOATING CHARGE]**

### 3.1 **Floating Charge**

- (a) The Chargor, as security for the payment and discharge of all Secured Liabilities, charges in favour of the Security Trustee for the benefit of itself and the Beneficiaries, by way of a floating charge, the whole of the Chargor's undertaking and assets, present and future.
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (as amended by Section 248 of the Enterprise Act 2002) applies to the floating charge created pursuant to Clause 3.1.

### 3.2 **Dealings and Conversion of Floating Charge**

- (a) The Chargor may, at any time, without the consent of the Security Trustee (but subject to the terms of the Finance Documents) dispose of or deal with any of the assets subject to the floating charge created pursuant to Clause 3.1 in the ordinary and normal course of its business in such manner as the Chargor considers fit.
- (b) If an Enforcement Event occurs and is outstanding, the Security Trustee may, at any time before an administrator is appointed to the Chargor, crystallise the floating charge created pursuant to Clause

3.1 by appointing a Receiver to the whole or substantially the whole of the assets and undertaking of the Chargor.][*To be included in respect of the initial Security Agreement only*]

#### 4. ASSIGNMENT

The Chargor, as security for payment and discharge of all Secured Liabilities, assigns to the Security Trustee (for the benefit of itself and the Beneficiaries) all of its rights, title and interest in and to:

- (a) the personal agreements and covenants by the tenants, lessees, licensees or other parties under the Letting Documents and by all guarantors in respect thereof and all security held by the Chargor in respect of the obligations of the tenants, lessees, licensees or other parties under the Letting Documents (including, without limiting the generality of the foregoing, all 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 for the sale, letting or other disposal or realisation of the whole or any part of the [Fixed] Security Assets (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, contracts, deeds, licences, undertakings, guarantees, covenants, warranties, representations and other documents (including all documents entered into now or in the future so as to enable the Chargor to perfect its rights under this Deed or any such agreement, contract, deed, licence, undertaking, guarantee, covenant, warranty, representation or other documents) now or hereafter entered into by or given to the Chargor in respect of the Mortgaged Properties and all claims, remedies, awards or judgments paid or payable to the Chargor (including, without limitation, all liquidated and ascertained damages payable to the Chargor under the above) in each case relating to the Mortgaged Properties;
- (d) all licences held now or in the future in connection with the relevant Mortgaged Property and also the right to recover and receive all compensation which may at any time become payable to the Chargor in relation to the relevant Mortgaged Property;
- (e) all rights and claims to which the Chargor is now or may hereafter become entitled in relation to any development, construction project, redevelopment, refurbishment, repair or improvement of or on the relevant Mortgaged Property;
- (f) all guarantees, warranties, bonds and representations given or made now or hereafter by, and any rights or remedies against, all or any of the designers, builders, contractors, surveyors, valuers, professional advisers, sub-contractors, manufacturers, suppliers and installers of any Fixtures in respect of the relevant Mortgaged Property; and
- (g) all rental income and disposal proceeds in each case relating to the relevant Mortgaged Property which has not been assigned as set forth in (a), (b) or (c) above and the right to make demand for and receive the same (each such agreement, together with the agreements and covenants referred to in paragraphs (a) to (f) above, a **Relevant Agreement** and together the **Relevant Agreements**),

PROVIDED ALWAYS that, until an Enforcement Event has occurred and is outstanding (but subject to the terms of the Finance Documents), the Chargor shall be entitled to exercise all its rights and claims under or in connection with the agreements and covenants referred to in paragraphs (a) to (g) above,

AND PROVIDED FURTHER THAT the Security Trustee shall not give any notice of the assignment contained in this Clause 4 to any person (other than the landlord of property in respect of which the Chargor is a tenant) unless and until an Enforcement Event has occurred and is outstanding.

## **5. NOTICES OF ASSIGNMENT**

The Chargor shall promptly after a request by the Security Trustee (which will only be made if an Enforcement Event has occurred and is outstanding), serve notice on any person referred to in Clause 4 upon whom the Chargor can be required to serve notice pursuant thereto, in such form as the Security Trustee may require.

## **6. CONTINUING SECURITY, ETC.**

### **6.1 Continuing security**

The security constituted by this Deed shall be continuing and will extend to the ultimate balance of all Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

### **6.2 Reinstatement**

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

### **6.3 Immediate recourse**

The Chargor waives any right it may have of first requiring the Security Trustee or any Beneficiary (or any Agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any other person before enforcing the security constituted hereby.

### **6.4 Additional security**

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

## **7. REPRESENTATIONS AND WARRANTIES**

### **7.1 To whom made**

The Chargor makes the representations and warranties set out in the balance of this Clause 7 to the Security Trustee for the benefit of itself and the Beneficiaries which shall remain in force so long as the Secured Liabilities are outstanding.

## 7.2 Matters represented

### (a) The Mortgaged Property

Save as disclosed in any Certificate of Title relating to the Mortgaged Property provided on or prior to the date of this Deed and subject to the terms of the Finance Documents:

- (i) the Chargor is the legal and beneficial owner of the property referred to in Schedule 1, subject to any rights accruing to tenants in relation to the Right-to-Buy and Shared Ownership Properties;
- (ii) planning permission has been obtained or is deemed to have been granted in accordance with statute for the purposes of the Planning Acts and has been complied with in all material respects in respect of any development and the existing use of the Mortgaged Property and the Planning Acts and all relevant building regulations or previously relevant building bylaws have been complied with in all material respects in respect of all developments, alterations and improvements to the Mortgaged Property save where such building regulations or bylaws did not apply to the Chargor or its predecessors at the relevant time and they have also been complied with in respect of the use of the Mortgaged Property;
- (iii) there are no covenants, agreements, stipulations, reservations, conditions, interest, rights or other matters whatsoever affecting the Mortgaged Property which materially affect or are reasonably likely materially to affect the value of the Mortgaged Property taken as a whole or any part of it;
- (iv) save for the Letting Documents, so far as the Chargor is aware after all reasonable enquiries, nothing has arisen or been created or is subsisting which would be an overriding interest or an unregistered interest which overrides first registration or registered dispositions over the Mortgaged Property which materially affects or is reasonably likely materially to affect the value of the Mortgaged Property taken as a whole or any part of it;
- (v) no facilities necessary for the enjoyment and use of the Mortgaged Property are enjoyed by the Mortgaged Property on terms entitling any person to terminate or curtail its or their use which materially affects or is reasonably likely materially to affect the value of the Mortgaged Property taken as a whole or any part of it;
- (vi) the Chargor has received no valid notice of any adverse claims by any person in respect of the ownership of the Mortgaged Property or any interest therein, nor has any acknowledgement been given to any person in respect thereof;
- (vii) all information in relation to the Mortgaged Property (including the list of Mortgaged Property owned by the Chargor and the nature of the ownership by the Chargor) provided by the Chargor to the Valuer to provide each valuation of the Mortgaged Property in connection with the Finance Documents is full, accurate and complete as at the date of the relevant valuation and that those are the Mortgaged Property to be charged pursuant to this Deed; [and]
- (viii) the Mortgaged Property will from the date hereof be free from any Security Interest or any tenancies or licences other than those permitted under the Finance Documents [and other than the Existing Floating Charge[s] in respect of which the chargee has delivered to the Security Trustee [a] certificate[s] confirming the non-crystallisation thereof][./; and][

(ix) to the Chargor's knowledge no event has occurred or circumstances arisen on or before the date of this Deed which has caused the crystallisation of the Existing Floating Charge[s] and the Chargor has taken no steps itself to crystallise the Existing Floating Charge[s].]

(b) **Security**

Subject to registration at the Financial Conduct Authority and at the Land Registry or in the Land Charges Register (as appropriate), this Deed creates those Security Interests it purports to create ranking as set out above and there is no reason why any of them is liable to be avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise.

(c) **Other**

The Chargor represents that it is permitted to enter into this Security Agreement and to perform its obligations under each Finance Document to which it is a party and that it will not amend its Rules in this respect.

### 7.3 **Times for making representations and warranties**

The representations and warranties set out in this Clause 7:

- (a) will survive the execution of each Finance Document and each drawdown under each Funding Agreement; and
- (b) are made on the date hereof and are deemed to be repeated on the date of each Request, the date the Chargor makes request for financial accommodation under any other Finance Document and the first day of each funding, interest or calculation period under any other Finance Document with reference to the facts and circumstances then existing.

## 8. **UNDERTAKINGS**

### 8.1 **Duration and with whom made**

The undertakings in this Clause 8:

- (a) shall remain in force throughout the Security Period; and
- (b) are given by the Chargor to the Security Trustee for the benefit of itself and the Beneficiaries.

### 8.2 **Maintenance of Property**

The Chargor will:

- (a) **Repair:** keep the Premises in good and tenable repair and condition (save for fair wear and tear) and keep the Fixtures and all plant, machinery, implements and other effects for the time being owned by it and which are in or upon the Premises or elsewhere in a good state of repair and in good working order and condition (save for fair wear and tear) or procure the same except where the Premises are awaiting or in the course of development or redevelopment in accordance with its Business Plan until such development or redevelopment is completed;
- (b) **Insurance:** insure and keep insured or procure the insurance of the Premises and all its other assets of an insurable nature therein against loss or damage by fire and other risks

normally insured against by persons carrying on the same class of business as that carried on by it in a sum or sums not less than the replacement cost thereof (meaning the total cost of entirely rebuilding, reinstating or replacing the Premises and such other assets in the event of their being completely destroyed together with architects' and surveyors' fees) with a reputable insurance company or underwriters on fair and reasonable terms and subject to all fair and reasonable excesses imposed by the insurers or underwriters. All moneys which may at any time hereafter be received or receivable under any insurance in respect of the Premises or such other assets whether or not effected pursuant to the foregoing provisions shall be applied in replacing, restoring or reinstating the Premises or assets destroyed or damaged or, after an Enforcement Event which is outstanding if the Security Trustee so directs and the terms of the relevant insurances so permit, in or towards satisfaction of the Secured Liabilities;

- (c) **Taxes and outgoings:** pay or procure to be paid as and when the same shall become payable all Taxes, rates, duties, charges, assessments and outgoings whatsoever (whether parliamentary, parochial, local or of any other description) which shall be assessed, charged or imposed upon or payable in respect of the Mortgaged Property or any part thereof but not in respect of the occupier thereof (save to the extent that payment of the same is being contested in good faith);
- (d) **User:** use the Mortgaged Property only for such purpose or purposes as may for the time being be authorised as the permitted use or user thereof under or by virtue of the Planning Acts;
- (e) **Notices:** within 30 days after the receipt by the Chargor of any application, requirement, order or notice served or given by any public or local or any other authority in relation to the Mortgaged Property (or any part thereof) where the cost of compliance with that application, order or notice when aggregated with others outstanding at that time in respect of the Charged Properties (as defined in the Security Trust Deed) is in excess of £100,000 (as increased by RPI from the date of this Agreement) give written notice thereof to the Security Trustee and also (within seven days after demand) produce the same or a copy thereof to the Security Trustee and inform it of the steps taken or proposed to be taken to comply with any such requirement thereby made or implicit therein;
- (f) **Statutes:** duly and punctually perform and observe or procure to be performed and observed all its obligations in connection with the [Fixed] Security Assets under any present or future statute or any regulation, order or notice made or given thereunder;
- (g) **Leases:**
  - (i) in all respects comply with the requirements of each of the Finance Documents in respect of the grant of leases, tenancies or licences and in addition not (except as permitted by the relevant Finance Documents) without the previous consent in writing of the Security Trustee, grant or agree to grant (whether in exercise or independently of any statutory power) any lease or tenancy of the Mortgaged Property or any part thereof or accept a surrender of any lease or tenancy or confer upon any person any contractual licence or right to occupy the Mortgaged Property other than in the form of an Approved Tenancy Agreement or on terms which confer no fewer material rights on the Chargor as the lessor or licensor and impose no material obligations on the Chargor additional to those set out in an Approved Tenancy Agreement or as provided in the Finance Documents and provided, on request by the Security Trustee it notifies the Security Trustee of all leases, tenancies, licences or rights to occupy granted or surrendered by it and, if so

requested by the Security Trustee, provided it sends a copy thereof to the Security Trustee forthwith upon request;

- (ii) not without the prior written consent of the Security Trustee accept or agree to accept the surrender or alteration of any of the Letting Documents which materially affects or is reasonably likely to affect materially the value of, or render less marketable or non-mortgageable, the Mortgaged Property taken as a whole or of any material part of it and observe and perform all the covenants, conditions, agreements and obligations on its part in all material respects; and
  - (iii) enforce and not waive or release the covenants, conditions, agreements and obligations contained in or imposed by any of the Letting Documents or any guarantee in respect of the obligations of the tenants, lessees, licensees or other parties thereunder which materially affects or is reasonably likely to affect materially the value of the Mortgaged Property taken as a whole of any part of it;
- (h) **Land Registry:**
- (i) in respect of any freehold or leasehold property which is hereafter acquired by the Chargor and which is part of the Mortgaged Property the title to which is registered at the Land Registry or the title to which is required to be so registered, give the Land Registry written notice of this Deed and procure that notice of these presents is duly noted in the Register to each such title; and
  - (ii) if the Chargor's solicitors have not complied with their obligations to lodge applications at the Land Registry (with full and proper payment in respect of fees and all necessary documents) for registration of this Deed as a first legal charge of the Mortgaged Property, by the date which is ten working days prior to the expiry of the priority period allowed by the searches referred to in the Letter of Undertaking, the Chargor shall notify the Security Trustee forthwith and shall, at the request of the Security Trustee, irrevocably instruct its solicitors to deliver forthwith to Allen & Overy LLP at its offices at One Bishops Square, London E1 6AD all fees (subject to the Chargor's solicitors having received such fees from the Chargor) and necessary documents to enable Allen & Overy LLP to make such applications within the remainder of the priority period at the Chargor's expense;
- (i) **Deposit of title deeds:** provide the Security Trustee with an undertaking to hold all deeds and documents of title relating to the Mortgaged Property to the order of the Security Trustee and to deliver them to the Security Trustee on demand (and it is hereby agreed that the Security Trustee shall be entitled to hold the same during the Security Period except to the extent that the Charged Properties are released by the Security Trustee pursuant to the terms of the Security Trust Deed);
- (j) **Compliance with covenants:** duly and punctually perform and observe or procure to be performed and observed in all material respects all covenants and stipulations restrictive or otherwise affecting all or any part of the Mortgaged Property;
- (k) **Investigation of title:** after the occurrence of an Enforcement Event which is outstanding, grant the Security Trustee or its lawyers on request all such facilities within the power of the Chargor to enable such lawyers to carry out investigations of title to the Mortgaged Property and other property which is or may be subject to this security and enquiries into matters in connection therewith as may be carried out by a prudent mortgagee. All expenses incurred

by the Security Trustee in relation to such investigations and enquiries shall be paid by the Chargor;

- (l) **Report on title:** after the occurrence of an Enforcement Event which is outstanding, as soon as practicable after demand by the Security Trustee, provide the Security Trustee with a report as to the title of the Chargor to the Mortgaged Property and other property which is or may be subject to this security and related matters concerning the items which may properly sought to be covered by a prudent mortgagee in a lawyer's report of this nature provided that no such report may be required where there has already been an investigation of title under paragraph (k) above; and
- (m) **Certificates of Title:**
  - (i) give written notice to the Security Trustee immediately upon becoming aware of any change to the certifications contained in the Certificates of Title that would comprise adverse matters relating to the Mortgaged Property which would materially and adversely affect any of the use, marketability or value of the Mortgaged Property taken as a whole or any part or parts of them; and
  - (ii) give written notice to the Security Trustee immediately upon becoming aware that (x) any of the information in relation to the Mortgaged Property (including the list of Mortgaged Property owned by the Chargor and the nature of ownership by the Chargor) provided by the Chargor to a Valuer to provide any valuation of the Mortgaged Property in connection with the Finance Documents is not full, accurate and complete and (y) any properties subject to any such valuation are not included within the Mortgaged Property.

### 8.3 Negative Pledge and Disposals

- (a) The Chargor shall not create or permit to subsist any Security Interest on any of the [Fixed] Security Assets except for those Security Interests which are permitted under each of the Finance Documents.
- (b) The Chargor shall not sell, transfer, grant or lease or otherwise dispose of all or any part of the [Fixed] Security Assets without the prior written consent of the Security Trustee or as permitted under each of the Finance Documents.

## 9. POWER TO REMEDY

In case of default by the Chargor in repairing or keeping in repair or insuring the Mortgaged Property or any material part thereof or in observing or performing any of the covenants or stipulations affecting the same, the Chargor will permit the Security Trustee or its agents and contractors to enter on the Mortgaged Property and to comply with or object to any notice served on the Chargor in respect of the Mortgaged Property and to effect such repairs or insurance or generally do such things or pay all such costs, charges and expenses as the Security Trustee may consider necessary or desirable to prevent or remedy any breach of covenant or stipulation or to comply with or object to any notice. The Chargor will indemnify and keep the Security Trustee indemnified and/or secured and/or pre-funded against all losses, costs, charges and expenses incurred in connection with the exercise of the powers contained in this Clause 9.

## **10. WHEN SECURITY BECOMES ENFORCEABLE**

At any time after the occurrence of an Enforcement Event which is continuing, the security created by or pursuant to this Deed will be immediately enforceable and the Security Trustee may, without notice to the Chargor or any prior authorisation from any court, in its absolute discretion:

- (a) enforce all or any part of that security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Security Assets forming part of the Designated Security for the relevant Funding Agreement and (if required) the Undesignated Security; and
- (b) whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Deed) on mortgagees and by this Deed on any Receiver or otherwise conferred by law on mortgagees or Receivers.

After the security constituted hereby has become enforceable, subject to the terms of the Finance Documents, the Security Trustee may in its absolute discretion enforce all or any part of such security in such manner as it sees fit in accordance with the provisions of the Security Trust Deed.

## **11. ENFORCEMENT OF SECURITY**

### **11.1 General**

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

## **12. RECEIVER**

### **12.1 Appointment of Receiver**

Except as provided below, at any time after this security becomes enforceable or if the Chargor so requests the Security Trustee in writing at any time, the Security Trustee may without further notice appoint under seal or in writing under hand any one or more persons to be a Receiver of all or any part of the Security Assets in like manner in every respect as if the Security Trustee had become entitled under the Law of Property Act 1925 to exercise the power of sale thereby conferred. If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receivers.

### **12.2 Powers of Receiver**

Every Receiver appointed in accordance with Clause 12.1 (*Appointment of Receiver*) shall have and be entitled to exercise all of the powers set out below in addition to those conferred by the Law of Property Act 1925 on any receiver appointed thereunder.

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law, this includes all the rights, powers and

discretions conferred on a receiver (or a receiver and manager) under the 1925 Act and the Insolvency Act 1986.

- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

The powers referred to above are:

- (i) **Take possession:** to take immediate possession of, get in and collect the Security Assets or any part thereof;
- (ii) **Carry on business:** to carry on the business of the Chargor relating to the Security Assets as he may think fit;
- (iii) **Protection of assets:** to make and effect all repairs and insurances and do all other acts which the Chargor might do in the ordinary conduct of its business as well for the protection as for the improvement of the Security Assets and to commence and/or complete any building operations on the Mortgaged Property and to apply for and maintain any planning permissions, building regulation approvals and any other permissions, consents or licences, in each case as he may in his absolute discretion think fit;
- (iv) **Employees:** to appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes hereof upon such terms as to remuneration or otherwise as he may think proper and to discharge any such persons appointed by the Chargor;
- (v) **Borrow money:** for the purpose of exercising any of the powers, authorities and discretions conferred on him by or pursuant to this Deed and/or of defraying any costs, charges, losses or expenses (including his remuneration) which shall be incurred by him in the exercise thereof or for any other purpose, to raise and borrow money either unsecured or on the security of the Security Assets or any part thereof either in priority to the security constituted by this Deed or otherwise and generally on such terms and conditions as he may think fit and no person lending such money shall be concerned to enquire as to the propriety or purpose of the exercise of such power or to see to the application of any money so raised or borrowed;
- (vi) **Sell assets:** to sell, exchange, convert into money and realise all or any part of the Security Assets by public auction or private contract and generally in such manner and on such terms as he shall think proper. Without prejudice to the generality of the foregoing he may do any of these things for a consideration consisting of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as he may think fit. Fixtures, other than landlords' or tenants' fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor;
- (vii) **Leases:** to let all or any part of the Security Assets for such term and at such rent (with or without a premium), risk free period or other inducement as he may think proper and to vary the terms of such leases to accept a surrender of any lease or tenancy thereof on such terms as he may think fit (including the payment of money to a lessee or tenant on a surrender);
- (viii) **Compromise:** to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating in any way to the Security Assets or any part thereof;

- (ix) **Legal Actions:** to bring, prosecute, enforce, defend and abandon all such actions, suits and proceedings in relation to the Security Assets or any part thereof as may seem to him to be expedient;
- (x) **Receipts:** to give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising the Security Assets; and
- (xi) **General powers:** to do all such other acts and things as he may consider desirable or necessary for realising the Security Assets or any part thereof or incidental or conducive to any of the matters, powers or authorities conferred on a Receiver under or by virtue of this Deed, to exercise in relation to the Security Assets or any part thereof all such powers, authorities and things as he would be capable of exercising if he were the absolute beneficial owner of the same and to use the name of the Chargor for all or any of such purposes.

### 12.3 Security Trustee may exercise

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

### 13. APPLICATION OF PROCEEDS

After the security hereby constituted shall have become enforceable, any moneys received by the Security Trustee or by any Receiver appointed by it pursuant to this Deed and/or under the powers hereby conferred shall be applied by the Security Trustee [(subject to the terms of the Deed of Arrangement)][*To be included in respect of the initial Security Agreement only*] in the order set out in Clause 3 (*Application of Proceeds*) of the Security Trust Deed (but without prejudice to the right of the Security Trustee or the Beneficiaries to recover any shortfall from the Borrower).

### 14. NO LIABILITY AS MORTGAGEE IN POSSESSION

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

## **15. PROTECTION OF THIRD PARTIES**

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

## **16. EXPENSES**

The amount of all such costs, charges, expenses properly incurred by and payments made by the Security Trustee or any Receiver appointed hereunder in the lawful exercise of the powers hereby conferred whether or not occasioned by any act, neglect or default of the Chargor shall be payable by the Chargor promptly on demand in accordance with the terms of the Security Trust Deed.

## **17. INDEMNITY**

The Security Trustee and the Beneficiaries and every Appointee (each an **Indemnified Party**) shall be entitled to be indemnified and/or secured out of the Security Assets in respect of all Liabilities and expenses properly incurred by them in the execution, or purported execution in good faith, of any of the powers, authorities or discretions vested in them pursuant hereto or pursuant to the Security Trust Deed or any other Security Document and against all Liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Security Assets (save where the same has arisen from the Security Trustee's gross negligence, wilful default or fraud) and the Security Trustee, the Beneficiaries and any such Appointee may retain and pay all sums in respect of the same out of any moneys received under the powers hereby conferred.

## **18. DELEGATION BY SECURITY TRUSTEE**

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

## **19. FURTHER ASSURANCES**

### **19.1 General**

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

## 19.2 Legal Charge

Without prejudice to the generality of Clause 19.1 (*General*), the Chargor will forthwith at the request of the Security Trustee execute a legal mortgage, charge or assignment over all or any of the Security Assets subject to or intended to be subject to any fixed security hereby created in favour of the Security Trustee (as agent and trustee as aforesaid) in such form as the Security Trustee may require.

## 19.3 [Deed of Grant

This Clause 19.3 applies to those Mortgaged Properties which form part of a Remaining Site at the date of this Deed and which are identified by reference to a plan in Schedule 1.

(a) In this Clause 19.3:

**Rights** means any rights, easements and reservations which are reasonably necessary and appropriate for the use and enjoyment of the relevant Mortgaged Property or the relevant Remaining Site (as appropriate); and

**Remaining Site** means the land comprising the registered title of which the Mortgaged Property forms part at the date of this Deed but excluding the Mortgaged Property.

(b) The Parties agree that in the event (within 21 years of the date of this Deed) of:

(i) the Security Trustee exercising its power of sale over the Mortgaged Property arising from this Deed, then the Security Trustee must procure that the purchaser of the Mortgaged Property enters into a deed of grant with the Chargor to grant and reserve the Rights over the Mortgaged Property and the Remaining Site (as applicable); or

(ii) the sale by the Chargor of the Remaining Site, the Chargor will procure that the purchaser of the Remaining Site enters into a deed of grant with the Chargor to grant and reserve the Rights over the Mortgaged Property and the Remaining Site (as applicable),

as soon as reasonably practicable.

(c) The Chargor shall ensure that, where applicable, any legal mortgage granted over the Remaining Site after the date of this Deed (a **Subsequent Legal Charge**) contains provisions whereby, in the event (within 21 years of the date of this Deed) of a sale of the Remaining Site by the mortgagee of the Chargor under a Subsequent Legal Charge, such mortgagee of the Chargor is obliged to enter into (or procure that the purchaser of the Remaining Site enters into) a deed of grant with the Chargor to grant and reserve the Rights over the Mortgaged Property and the Remaining Site (as applicable) as soon as reasonably practicable.

(d) Any grant of the Rights by the Security Trustee or any mortgagee of the Chargor under a Subsequent Legal Charge shall be with limited title guarantee only.

(e) In this Clause 19.3 references to the Mortgaged Property and the Remaining Site include any part of them (as applicable).

(f) Any dispute arising in connection with this Clause 19.3, and in particular the required Rights, shall be determined by an independent surveyor appointed by the Security Trustee

and the Chargor jointly or, if they cannot agree on a joint appointment, the surveyor shall be nominated, on the application of either the Security Trustee or the Chargor, by the President for the time being of the Royal Institution of Chartered Surveyors or the person for the time being authorised to act on his behalf. The surveyor shall act as an expert, not an arbitrator.

- (g) The Chargor shall promptly upon completion of this Deed apply to the Land Registry for the following restriction to be entered on the title register to the Mortgaged Property (and the Remaining Site if for any reason that is allocated a different title number following completion of this Deed):

"No disposition by the proprietor of the registered estate or by the proprietor of any registered charge is to be registered without a certificate signed by a conveyancer that the provisions of Clause 19.3 of a legal charge dated [●] and referred to in the charges register have been complied with or do not apply to the disposition".]

## **20. REDEMPTION OF PRIOR MORTGAGES**

The Security Trustee may, at any time after the security hereby constituted has become enforceable, redeem any prior Security Interest against the Security Assets or any part thereof or procure the transfer thereof to itself and may settle and pass the accounts of the prior mortgagee, chargee or encumbrancer. Any accounts so settled and passed shall be conclusive and binding on the Chargor save for manifest error. All principal moneys, interest, costs, charges and expenses of and incidental to such redemption and transfer shall be paid by the Chargor to the Security Trustee on demand.

## **21. POWER OF ATTORNEY**

### **21.1 Appointment**

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

### **21.2 Ratification**

The Chargor hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in Clause 21.1 (*Appointment*) shall do, or purport to do, in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in such.

## **22. NEW ACCOUNTS**

If the Security Trustee or any Beneficiary receives or is deemed to be affected by notice whether actual or constructive of any subsequent charge or other interest affecting any part of the Security Assets and/or the proceeds of sale thereof, the Security Trustee or the Beneficiary may open a new account or accounts with the Chargor. If the Security Trustee or a Beneficiary (as the case may be)

does not open a new account it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice and as from that time all payments made to the Security Trustee or the relevant Beneficiary shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount for which this Deed is security.

## **23. STAMP DUTIES**

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

## **24. ASSIGNMENTS, ETC.**

### **24.1 The Security Trustee**

The Security Trustee may assign and transfer all of its respective rights and obligations hereunder to a replacement Security Trustee in accordance with the Security Trust Deed. Upon such assignment and transfer taking effect, the replacement Security Trustee shall be and be deemed to be acting as trustee for the Beneficiaries (as well as for itself) for the purposes of this Deed in place of the old Security Trustee.

### **24.2 Assignments and Transfers**

The Chargor shall be bound by and hereby irrevocably authorises each Beneficiary (or its Agents on its behalf) to execute on its behalf novation certificates or equivalent documentation evidencing substitution of Beneficiaries under any Finance Documents (without any need for the prior consent of the Beneficiaries) in accordance with the provisions of the Funding Agreements or any other Finance Document.

## **25. WAIVERS, REMEDIES CUMULATIVE**

The rights of the Security Trustee and the Beneficiaries under this Deed:

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

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

## **26. SET-OFF**

### **26.1 General**

Following an Enforcement Event which is outstanding, the Security Trustee and each Beneficiary may (to the extent that the same is beneficially owned by it) set off any matured obligation owed by the Chargor under the Finance Documents against any obligation (whether or not matured) owed by the Security Trustee or the Beneficiary (as the case may be) to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Trustee or the Beneficiary (as the case may be) may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

## 26.2 Time deposits

Without prejudice to Clause 26.1 (*General*), if any time deposit matures on any account the Chargor has with the Security Trustee or a Beneficiary at a time within the Security Period when:

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

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

## 27. SEVERABILITY

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

## 28. COUNTERPARTS

This Deed may be executed in any number of counterparts, and by the Parties on separate counterparts, each of which shall constitute an original but all of which taken together shall be deemed to constitute one and the same instrument.

## 29. ADDRESSES FOR NOTICES

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

- (a) **in the case of the Chargor:**

Poplar Housing and Regeneration Community Association Limited  
167a East India Dock Road  
London E14 0EA

Fax: 020 7510 0550  
Email: info@poplarharca.co.uk  
Attn: Finance Director

- (b) **in the case of the Security Trustee:**

Prudential Trustee Company Limited  
Laurence Pountney Hill  
London EC4R 0HH

Fax: 020 7548 3883  
Email: trustees@prumandg.co.uk  
Attn: Corporate Trust Manager

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

### **30. LAND REGISTRY**

In respect of the Mortgaged Property specified in Schedule 1 the title to which is registered at the Land Registry and in respect of any other registered title(s) against which this Deed may be noted:

- (a) the Chargor hereby applies to the Chief Land Registrar for a restriction in the following terms to be entered on the Proprietorship Register at the Register of Title relating thereto:

"No disposition of [the part of ]the registered estate [edged in red on the plan] by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [ ] in favour of Prudential Trustee Company Limited referred to in the charges register or their conveyancer"; and

- (b) it is hereby certified that the security created hereby does not contravene any of the provisions of the Industrial and Provident Societies Act 1965 or the Rules of the Chargor.

### **31. COVENANT TO MAKE FACILITIES AVAILABLE**

- (a) The Lenders under the Funding Agreements to which they are party, by the Security Trustee's execution of this Deed, hereby covenant with the Chargor, that they will, upon and subject to each of the terms of the Funding Agreements to which they are party, make the facilities available to the Borrower (including, without limitation, advances and further advances to the extent that they are provided for in the Funding Agreements to which they are party).
- (b) For the purposes of sub-section 94(1)(c) of the Law of Property Act 1925, sub-section 49(3) of the Land Registration Act 2002 and Rule 108 of the Land Registration Rules 2003, the obligation on the relevant Beneficiaries to make further advances will be deemed to be incorporated in this Deed as if the same were set out in this Deed.
- (c) For the purposes of the Land Registration Rules 2003 and sub-section 49(3) of the Land Registration Act 2002, the Security Trustee hereby applies to the Chief Land Registrar for the entry of a note of the obligation to make further advances on the Charges Register of any registered land forming part of the Mortgaged Property.

### **32. RELEASE**

During the Security Period, the Security Trustee shall when required to do so under and in accordance with the Security Trust Deed release the relevant assets (or part thereof) constituting the [Fixed] Security Assets from the security constituted by this Deed to the extent that the Chargor is permitted to dispose of or have released to it any [Fixed] Security Assets by the terms of each of the Finance Documents and consequently all Beneficiaries are required by the terms of each of the Finance Documents to release, or procure the release of, such security.

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

### **33. CHARITY**

The land charged is held by (or in trust for) the proprietor, a non-exempt charity, but this mortgage is one falling within sections 117(3)(a) and 124(9) of the Charities Act 2011.

For the avoidance of doubt, the expression **land charged** shall have the same meaning as the expression **Mortgaged Property** and the expression **the proprietor** shall have the same meaning as the expression **the Chargor**.

**34. SUBMISSION TO JURISDICTION**

Each of the Parties hereto irrevocably agrees that the courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed (including a dispute relating to any non-contractual obligations arising out of or in connection with this Deed) and accordingly submit to the exclusive jurisdiction of the English courts. Each of the Parties waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Security Trustee may take any suit, action or proceeding arising out of or in connection with this Deed against each of the other Parties in any other court of competent jurisdiction and concurrent proceedings in any number of jurisdictions.

**35. GOVERNING LAW**

This Deed, and any non-contractual obligations or matters arising from or connected with it, shall be governed by, and construed in accordance with, English law.

**IN WITNESS** whereof this Deed has been duly executed as a deed on the date first above written.

## **SCHEDULE 1**

### **MORTGAGED PROPERTY**

#### **REGISTERED LAND**

The whole of the land registered at the Land Registry under the title numbers listed [in the schedule attached][below][, and identified by reference to an attached plan in respect of charges of part of a title number,] which titles include (but are not limited to) the individual properties detailed [in the schedule attached][below].

*[insert/attach list of properties including full address, postcode and title number (and a plan if relevant)]*

#### **UNREGISTERED LAND**

The freehold or leasehold property (if any) in England and Wales [listed in the schedule attached][set out below] title to which is not registered at the Land Registry of which the Chargor is the owner.

*[insert list of properties including full address and postcode]*

**SIGNATORIES**

**Chargor**

**EXECUTED and DELIVERED** )  
as a **DEED** by )  
**POPLAR HOUSING AND REGENERATION** )  
**COMMUNITY ASSOCIATION LIMITED** )

acting by:

and:

**The Security Trustee**

Given under the **COMMON SEAL** of )  
**PRUDENTIAL TRUSTEE COMPANY LIMITED** )  
in the presence of: )

.....  
Sealing Officer

**SCHEDULE 5**  
**FORM OF SUPPLEMENTAL LEGAL CHARGE**

**SUPPLEMENTAL LEGAL CHARGE**

**DATED [●]**

**[●]**  
**as Chargor**

**and**

**PRUDENTIAL TRUSTEE COMPANY LIMITED**  
**as Security Trustee**

**Supplemental to a Security Agreement dated [●]**  
**and subject to a Security Trust Deed dated 25th July, 2013**

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**THIS DEED** is dated [●]

**BETWEEN:**

- (1) **POPLAR HOUSING AND REGENERATION COMMUNITY ASSOCIATION LIMITED**, a company limited by guarantee incorporated under the laws of England and Wales (with registered number 3249344) and registered with the Regulation Committee of the Homes and Communities Agency under the Housing and Regeneration Act 2008, as amended by the Localism Act 2011, (with registered number L4170) whose registered office is at 167a East India Dock Road, London E14 0EA (the **Chargor**); and
- (2) **PRUDENTIAL TRUSTEE COMPANY LIMITED**, whose registered office is at Laurence Pountney Hill, London EC4R 0HH as trustee of the security constituted under this Deed for itself and the Beneficiaries (as defined below) in accordance with the Security Trust Deed (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).

**BACKGROUND:**

- (A) The parties hereto have entered into a Security Agreement dated [●] (the **Original Security Agreement**).
- (B) This Deed is supplemental to the Original Security Agreement.
- (C) It is intended by the parties to this Deed that this document will take effect as a deed despite the fact that a party may only execute this document under hand.
- (D) This Deed is subject to the provisions of the Security Trust Deed (as defined in the Original Security Agreement).

**IT IS AGREED** as follows:

**1. INTERPRETATION**

**1.1 Terms defined**

In this Deed:

**Additional Funding Agreement** means any other loan agreement and/or hedging arrangement entered into after the date of the Security Trust Deed between a Lender or Lenders, an Agent (if any) and the Chargor and designated by the parties thereto as an **Additional Funding Agreement** for the purposes of the Security Trust Deed;

**Additional Lender** means an entity which becomes a party to a Funding Agreement, in its capacity as lender or, as the case may be, the arranger or provider of hedging arrangements, and accedes to the Security Trust Deed in accordance with Clause 12.2 (*New Parties*) of the Security Trust Deed;

**Additional Security Agreement** means each security agreement between the Chargor and the Security Trustee entered into after the date of the Security Trust Deed under which, *inter alia*, the Chargor creates a fixed charge over certain Properties belonging to it and a fixed charge and/or assignment by way of security over certain Related Security Assets, in each case, in favour of the Security Trustee as security for the Chargor's obligations under certain Finance Documents;

**Agent** means an entity which acts in its capacity as agent for any Lender party to a Funding Agreement and accedes to the Security Trust Deed in its capacity as an agent in accordance with Clause 12.2 (*New Parties*) of the Security Trust Deed);

**Beneficiary** means:

- (a) the Original Lender and the Security Trustee (either individually or collectively and, in the case of the Original Lender, in its capacity as lender pursuant to or in connection with the Original Loan Agreement); and
- (b) each Additional Lender, the Security Trustee and each Agent acting on behalf of any such Lender (either individually or, where the context requires, collectively and, in the case of each Additional Lender, in the capacity of lender, arranger and/or provider of hedging arrangements, as the case may be, pursuant to or in connection with an Additional Funding Agreement);

**Designated Security** means, in relation to any Beneficiary (a **Relevant Beneficiary**), any Security Assets the proceeds of which are allocated for application in reduction of the Secured Liabilities of that Beneficiary in accordance with Clause 2 (*Designation of Security Assets*) of the Security Trust Deed;

**Enforcement Event** means any event, howsoever described, specified in a Finance Document as an event upon the occurrence of which the relevant Beneficiary or group of Beneficiaries to whom such Finance Document relates becomes entitled:

- (a) to call for early repayment of all or any of the Secured Liabilities under such Finance Documents; and/or
- (b) to terminate all or any of the transactions entered into pursuant to such Finance Document (but excluding any interest rate arrangement entered into by the relevant Beneficiary to which the Chargor is not a party unless such Beneficiary becomes entitled to terminate the same as a consequence of a default (howsoever described) by the Chargor under the terms of the Finance Document prior to the scheduled maturity thereof); and/or
- (c) to require the Security Trustee to enforce any of the Security Documents constituting such Beneficiary's Designated Security;

**Existing Floating Charge[s]** means [●];

**Finance Document** means:

- (a) each Funding Agreement;
- (b) each Security Document; and
- (c) any other document designated as a Finance Document in accordance with the terms of a Funding Agreement;

**Fixtures** means, in relation to any freehold or leasehold property charged by or pursuant to this Deed, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time thereon owned by the Chargor;

**Funding Agreement** means the Original Loan Agreement and each Additional Funding Agreement;

**Insurances** means all contracts and policies of insurance of whatever nature which are from time to time taken out by or with the authority and on behalf of the Chargor in connection with the Mortgaged Property;

**Lenders** means the Original Lender and each Additional Lender;

**Letting Document** means any lease, tenancy or licence to occupy or any agreement for any of the same from time to time granted or entered into by the Chargor or any predecessor in title of the Chargor in respect of the Mortgaged Property referred to in Clause 3 (*First Fixed Charge*) and any licence, consent or approval given thereunder;

**Mortgaged Property** means the freehold and leasehold property specified in Schedule 1 (Mortgaged Property);

**Original Lender** means Poplar HARCA Capital Plc;

**Original Loan Agreement** means the loan agreement dated on or about the date of the Security Trust Deed between the Original Lender, the Chargor and the Security Trustee;

**Property** means all estates or interests of the Chargor in any freehold, heritable or leasehold property wheresoever situate now or in future belonging to it and all buildings, fixtures, fittings (other than tenants fixtures and fittings) and fixed plant and machinery from time to time thereon (and **Properties** shall be construed accordingly);

**Related Security Assets** in relation to any Unit or Mortgaged Property, means all rights, title and interest of the Chargor in, to and under fixed plant and machinery, insurances, licences consents and authorisations, Letting Documents and security thereunder, warranties and all other agreements, rights and assets, in each case, related to such Unit or Mortgaged Property and the subject of the security created under any Security Document;

**Secured Liabilities** means all present and future obligations and liabilities (whether actual or contingent) owed by the Chargor to any Beneficiary under the Finance Documents;

**Security Agreement** means:

- (a) the Original Security Agreement;
- (b) this Deed;
- (c) each Additional Security Agreement; and
- (d) each Supplemental Legal Charge;

**Security Assets** means the assets, rights, property and undertaking of the Chargor from time to time mortgaged, charged or assigned by the Chargor to the Security Trustee by or pursuant to this Deed as security for the payment or discharge of all or any of the Secured Liabilities;

**Security Document** means:

- (a) each Security Agreement;
- (b) the Security Trust Deed; and

- (c) any other document creating, evidencing or granting any guarantee or security in support of the obligations of the Chargor under the Finance Documents;

**Security Interest** means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest, or any other agreement having the effect of conferring security;

**Security Period** means the period beginning on the date of this Deed and ending on the date on which the Security Trustee (acting reasonably) determines that all the Secured Liabilities which have arisen or may arise have been unconditionally and irrevocably paid and discharged in full or the security hereby created has been unconditionally and irrevocably released and discharged;

**Supplemental Legal Charge** means each fixed legal charge executed by the Chargor in favour of the Security Trustee entered into after the date of the Original Security Agreement in respect of additional Properties; and

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

## 1.2 Terms defined in Original Security Agreement

Capitalised terms defined in the Original Security Agreement have, unless expressly defined in this Deed, the same meaning in this Deed or any notice given under or in connection with this Deed.

## 1.3 Application of provisions in Original Security Agreement

Clauses 1 (*Interpretation*), 5 (*Notices of Assignment*), 6 (*Continuing Security, etc*) to 29 (*Addresses for Notices*) (inclusive) of the Original Security Agreement are deemed to form part of this Deed as if expressly incorporated into it and as if all references in such clauses to the Original Security Agreement were references to this Deed.

## 2. CREATION OF SECURITY

All the security created under this Deed is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

## 3. FIRST FIXED CHARGE

The Chargor, as security for the payment and discharge of all Secured Liabilities, charges in favour of the Security Trustee for the benefit of itself and the Beneficiaries:

- (a) by way of a first legal mortgage all the property referred to in Schedule 1 together with all buildings and Fixtures, erections and structures thereon or in the course of construction thereon, the proceeds of sale of all or any part thereof and (so far as the same are capable of being mortgaged) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor and any moneys paid or payable in respect of such covenants; and
- (b) by way of first fixed charge:
  - (i) all plant and machinery now or in the future owned by the Chargor and its interest in any plant or machinery in its possession, in each case which form part of the Mortgaged Property;

- (ii) all benefits in respect of the Insurances and all claims and returns of premiums in respect of the Mortgaged Property;
- (iii) the benefit of all present and future licences, consents and authorisations (statutory or otherwise) held in connection with its business so far as it relates to the Security Assets or the use of any of the Security Assets specified in paragraph (a) and subparagraph (i) above and the right to recover and receive all compensation which may at any time become payable to it in respect thereof; and
- (iv) if and in so far as the legal mortgages set forth in paragraph (a) above or the assignments set forth in Clause 4 (*Assignment*) shall for any reason be ineffective as legal mortgages or assignments, the assets referred to in those clauses.

#### 4. ASSIGNMENT

The Chargor, as security for payment and discharge of all Secured Liabilities, assigns to the Security Trustee (for the benefit of itself and the Beneficiaries) all of its rights, title and interest in and to:

- (a) the personal agreements and covenants by the tenants, lessees, licensees or other parties under the Letting Documents and by all guarantors in respect thereof and all security held by the Chargor from time to time, whether present or future, in respect of the obligations of the tenants, lessees, licensees or other parties under the Letting Documents (including, without limiting the generality of the foregoing, all 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 of the Security Assets and for the sale, letting or other disposal or realisation of the whole or any part of the Security Assets (including, without limiting the generality of the foregoing, all 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, contracts, deeds, licences, undertakings, guarantees, covenants, warranties, representations and other documents (including all documents entered into now or in the future so as to enable the Chargor to perfect its rights under this Deed or any such agreement, contract, deed, licence, undertaking, guarantee, covenant, warranty, representation or other documents) now or hereafter entered into by or given to the Chargor in respect of the Mortgaged Properties and all claims, remedies, awards or judgments paid or payable to the Chargor (including, without limitation, all liquidated and ascertained damages payable to the Chargor under the above) in each case relating to the Mortgaged Properties;
- (d) all licences held now or in the future in connection with any Mortgaged Property and also the right to recover and receive all compensation which may at any time become payable to the Chargor in relation to each Mortgaged Property;
- (e) all rights and claims to which the Chargor is now or may hereafter become entitled in relation to any development, construction project, redevelopment, refurbishment, repair or improvement of or on each Mortgaged Property;
- (f) all guarantees, warranties, bonds and representations given or made now or hereafter by, and any rights or remedies against, all or any of the designers, builders, contractors, surveyors, valuers, professional advisers, sub-contractors, manufacturers, suppliers and installers of any Fixtures in respect of each Mortgaged Property; and

- (g) all rental income and disposal proceeds in each case relating to each Mortgaged Property which has not been assigned as set forth in (a), (b) or (c) above and the right to make demand for and receive the same (each such agreement, together with the agreements and covenants referred to in paragraphs (a) to (f) above, a **Relevant Agreement** and together the **Relevant Agreements**),

PROVIDED ALWAYS that, until an Enforcement Event has occurred and is outstanding (but subject to the terms of the Finance Documents), the Chargor shall be entitled to exercise its rights under or in connection with the agreements and covenants referred to in paragraphs (a) to (g) above,

AND PROVIDED FURTHER THAT the Security Trustee shall not give any notice of the assignment contained in this Clause 4 to any person (other than the landlord of property in respect of which the Chargor is a tenant) unless and until an Enforcement Event has occurred and is outstanding.

## 5. [DEED OF GRANT

This Clause 5 applies to those Mortgaged Properties which form part of a Remaining Site at the date of this Deed and which are identified by reference to a plan in Schedule 1.

- (a) In this Clause 5:

**Rights** means any rights, easements and reservations which are reasonably necessary and appropriate for the use and enjoyment of the relevant Mortgaged Property or the relevant Remaining Site (as appropriate); and

**Remaining Site** means the land comprised in the registered title of which the Mortgaged Property forms part at the date of this Deed but excluding the Mortgaged Property.

- (b) The Parties agree that in the event (within 21 years of the date of this Deed) of:

- (i) the Security Trustee exercising its power of sale over the Mortgaged Property arising from this Deed, then the Security Trustee must procure that the purchaser of the Mortgaged Property enters into a deed of grant with the Chargor to grant and reserve the Rights over the Mortgaged Property and the Remaining Site (as applicable); or
- (ii) the sale by the Chargor of the Remaining Site, the Chargor will procure that the purchaser of the Remaining Site enters into a deed of grant with the Chargor to grant and reserve the Rights over the Mortgaged Property and the Remaining Site (as applicable),

as soon as reasonably practicable.

- (c) The Chargor shall ensure that, where applicable, any legal mortgage granted over the Remaining Site after the date of this Deed (a **Subsequent Legal Charge**) contains provisions whereby, in the event (within 21 years of the date of this Deed) of a sale of the Remaining Site by the mortgagee of the Chargor under a Subsequent Legal Charge, such mortgagee of the Chargor is obliged to enter into (or procure that the purchaser of the Remaining Site enters into) a deed of grant with the Chargor to grant and reserve the Rights over the Mortgaged Property and the Remaining Site (as applicable) as soon as reasonably practicable.

- (d) Any grant of the Rights by the Security Trustee or any mortgagee of the Chargor under a Subsequent Legal Charge shall be with limited title guarantee only.
- (e) In this Clause 5 references to the Mortgaged Property and the Remaining Site include any part of them (as applicable).
- (f) Any dispute arising in connection with this Clause 5, and in particular the required Rights, shall be determined by an independent surveyor appointed by the Security Trustee and the Chargor jointly or, if they cannot agree on a joint appointment, the surveyor shall be nominated, on the application of either the Security Trustee or the Chargor, by the President for the time being of the Royal Institution of Chartered Surveyors or the person for the time being authorised to act on his behalf. The surveyor shall act as an expert, not an arbitrator.
- (g) The Chargor shall promptly upon completion of this Deed apply to the Land Registry for the following restriction to be entered on the title register to the Mortgaged Property (and the Remaining Site if for any reason that is allocated a different title number following completion of this Deed):

"No disposition by the proprietor of the registered estate or by the proprietor of any registered charge is to be registered without a certificate signed by a conveyancer that the provisions of Clause 5 of a legal charge dated [●] and referred to in the charges register have been complied with or do not apply to the disposition".]

## **6. LAND REGISTRY**

In respect of the Mortgaged Property specified in Schedule 1 the title to which is registered at the Land Registry and in respect of any other registered title(s) against which this Deed may be noted:

- (a) the Chargor hereby applies to the Chief Land Registrar for a restriction in the following terms to be entered on the Proprietorship Register of the Register of Title relating thereto:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] in favour of Prudential Trustee Company Limited referred to in the charges register or their conveyancer"; and

- (b) it is hereby certified that the security created hereby does not contravene any of the provisions of the Industrial and Provident Societies Act 1965 or the Rules of the Chargor.

## **7. COVENANT TO MAKE FACILITIES AVAILABLE**

- (a) The Lenders under the Funding Agreements to which they are party, by the Security Trustee's execution of this Deed, hereby covenant with the Borrower, that they will, upon and subject to each of the terms of the Funding Agreements to which they are party, make the facilities available to the Borrower (including, without limitation, advances and further advances to the extent that they are provided for in the Funding Agreements to which they are party).
- (b) For the purposes of sub-section 94(1)(c) of the Law of Property Act 1925, sub-section 49(3) of the Land Registration Act 2002 and Rule 108 of the Land Registration Rules 2003, the obligation on the relevant Beneficiaries to make further advances will be deemed to be incorporated in this Deed as if the same were set out in this Deed.

- (c) For the purposes of the Land Registration Rules 2003 and sub-section 49(3) of the Land Registration Act 2002, the Chargor hereby applies to the Chief Land Registrar for the entry of a note of the obligation to make further advances on the Charges Register of any registered land forming part of the Mortgaged Property.

## **8. ASSIGNMENT**

The Security Trustee may assign and transfer all of its respective rights and obligations hereunder to a replacement Security Trustee in accordance with the Security Trust Deed. Upon such assignment and transfer taking effect, the replacement Security Trustee shall be and be deemed to be acting as trustee for the Beneficiaries (as well as for itself) for the purposes of this Deed in place of the old Security Trustee.

## **9. RELEASE**

During the Security Period, the Security Trustee shall when required to do so under and in accordance with the Security Trust Deed release the relevant assets (or part thereof) constituting the Security Assets from the security constituted by this Deed to the extent that a Chargor is permitted to dispose of or have released to it any Security Assets by the terms of each of the Finance Documents and consequently all Beneficiaries are required by the terms of each of the Finance Documents to release, or procure the release of, such security.

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

## **10. EXISTING FLOATING CHARGE**

The Chargor hereby represents that to the Chargor's knowledge no event has occurred or circumstances arisen on or before the date of this Deed which has caused the crystallisation of the Existing Floating Charge[s] and the Chargor has taken no steps itself to crystallise the Existing Floating Charge[s].

## **11. COUNTERPARTS**

This Deed may be executed in any number of counterparts, and by the Parties on separate counterparts, each of which shall constitute an original but all of which taken together shall be deemed to constitute one and the same instrument.

## **12. SECURITY DOCUMENT**

This Deed is a Security Document for the purposes of the Security Trust Deed.

## **13. CHARITY**

The land charged is held by (or in trust for) the proprietor, a non-exempt charity, but this mortgage is one falling within sections 117(3)(a) and 124(9) of the Charities Act 2011.

For the avoidance of doubt, the expression **land charged** shall have the same meaning as the expression **Mortgaged Property** and the expression **the proprietor** shall have the same meaning as the expression **the Chargor**.

**14. SUBMISSION TO JURISDICTION**

Each of the Parties hereto irrevocably agrees that the courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed (including a dispute relating to any non-contractual obligations arising out of or in connection with this Deed) and accordingly submit to the exclusive jurisdiction of the English courts. Each of the Parties waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Security Trustee may take any suit, action or proceeding arising out of or in connection with this Deed against each of the other Parties in any other court of competent jurisdiction and concurrent proceedings in any number of jurisdictions.

**15. GOVERNING LAW**

This Deed, and any non-contractual obligations or matters arising from or connected with it, shall be governed by, and construed in accordance with, English Law.

**IN WITNESS** whereof this Deed has been duly executed as deed on the date stated at the beginning of this Deed.

## **SCHEDULE 1**

### **MORTGAGED PROPERTIES**

#### **REGISTERED LAND**

The whole of the land registered at the Land Registry under the title numbers listed [in the schedule attached][below][ and identified by reference to an attached plan in respect of the charges of part of a title number] which titles include (but are not limited to) the individual properties detailed [in the schedule attached][below].

*[Insert list of properties including full address, postcode and title number (and a plan if relevant) to be inserted or attached]*

---

#### **UNREGISTERED LAND**

The freehold or leasehold property (if any) in England and Wales [listed in the schedule attached][set out below] title to which is not registered at the Land Registry of which the Chargor is the owner.

*[Insert list of properties including full address, postcode and title number]*

**SIGNATORIES**

**Chargor**

**EXECUTED and DELIVERED** )  
as a **DEED** by )  
**POPLAR HOUSING AND REGENERATION** )  
**COMMUNITY ASSOCIATION LIMITED** )

acting by:

and:

**Security Trustee**

**EXECUTED** as a **DEED** )  
by affixing **THE COMMON SEAL** of )  
**PRUDENTIAL TRUSTEE COMPANY LIMITED** )  
in the presence of: )

Sealing Officer:

**SCHEDULE 6**

**FORM OF RELEASE NOTICE**

To: Prudential Trustee Company Limited as Security Trustee

From: Poplar Housing and Regeneration Community Association Limited as Borrower

Date: [●]

**Security Trust Deed dated 25th July, 2013 (as supplemented, amended and novated, the Security Trust Deed) entered into by Poplar Housing and Regeneration Community Association Limited, Prudential Trustee Company Limited and Poplar HARCA Capital Plc,**

Words and expression used in this certificate have the same meaning when used in the Security Trust Deed.

We hereby confirm that the following Charged Propert[y/ies]:

[*describe Charged Propert[y/ies]*] (the **Released Property**),

[is/are] to be disposed by way of a Permitted Disposal.

You are hereby instructed to release the Released Property from any security interest created by any Security Document in accordance with Clause 2.2 (*Disposals of Charged Properties*) of the Security Trust Deed.

Signed by:

.....  
Authorised Signatory  
For and on behalf of  
Poplar Housing and Regeneration Community Association Limited

**SCHEDULE 7**  
**CERTIFICATE OF TITLE**

**CERTIFICATE OF TITLE**

**DATED [●]**

**POPLAR HOUSING AND REGENERATION COMMUNITY ASSOCIATION LIMITED**  
**as Chargor**

**and**

**PRUDENTIAL TRUSTEE COMPANY LIMITED**  
**as Security Trustee**

From: [INSERT NAME OF FIRM OF SOLICITORS]

To: [INSERT NAME OF SECURITY AGENT] as Security Agent pursuant to a Security Trust Deed dated 25th July, 2013 (the **Security Trust Deed**) for the benefit of itself and the other Beneficiaries (as defined therein)

Chargor: POPLAR HOUSING AND REGENERATION COMMUNITY ASSOCIATION LIMITED

Property/ies: See Schedule 1

Save where otherwise indicated, words and expressions in this Certificate shall have the same meaning as in the Security Trust Deed.

In order to ensure that the Beneficiaries are able to rely upon this Certificate, we hereby irrevocably undertake that we shall, upon written request from the Security Agent, issue to such of the Beneficiaries as the Security Agent requires a reliance letter in such form as the Security Agent reasonably requires confirming that such Beneficiaries may rely upon this Certificate and acknowledging that we have a duty of care to each of them.

This Certificate is given in connection with the Security Trust Deed and the Security Agreement to be entered into between, *inter alios* the Chargor and the Security Agent on or about the date hereof (the **Security Agreement**).

Any claim in respect of this Certificate may only be brought by or through the agency of any of the parties to whom it is addressed. Where such claim would properly lie also against any other party involved in the provision of information for or otherwise involved in the preparation or approval of this Certificate and such other party has lawfully and effectively limited, excluded or restricted its liability in respect of any such claim then our liability shall not in any circumstances be increased as a consequence of any such limitation, exclusion or restriction and our liability shall be calculated on the basis that no such limitation, exclusion or restriction by such other party is effective.

On the basis of and insofar as the same is discoverable from our investigations mentioned in this Certificate:

**WE CERTIFY** as follows:

1. Except as otherwise disclosed to you in Schedule 2:
  - 1.1 we have investigated the title to each of 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. The Chargor has a good and marketable title to the Properties and to appurtenant rights free from mortgages or charges and from onerous encumbrances which title is registered with absolute title and the Chargor is absolutely entitled to the whole proceeds of sale of each of the Properties;
  - 1.2 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;
  - 1.3 the details of the Properties set out in Schedule 1 are complete and accurate;
  - 1.4 in giving this certificate, we have:-
    - (a) examined all relevant title and other documents in our possession or supplied to us by the Chargor. The Chargor has confirmed to us that it has provided all documents relating to the Properties of which it has knowledge, together with all other material information;

- (b) carried out and considered the results of the searches and enquiries in relation to the Properties made by us as referred to in Schedule 3; and
  - (c) made all relevant and necessary enquiries of the Chargor to enable us to provide this Certificate.
- 1.5 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;
- 1.6 if any of the Properties are leasehold the terms of the lease accord with the CML Lender's Handbook (to the extent that the same is relevant) and we specifically confirm that:
- (a) we have or will obtain on or before completion of this Certificate of Title a clear receipt for the last payment of rent and service charge. The Chargor has confirmed that it is not aware of any breach of the terms of any lease pursuant to which a Property is held;
  - (b) the leases and any superior lease 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 lease provides for the Landlord to put in place insurance to cover the replacement value of the whole of the Property 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 creation of the charge by the Chargor of each such lease to the Security Agent;
  - (g) where applicable we have prepared notice of the Security Agreement in duplicate addressed to the Landlord of each of the leasehold Properties and will serve such notices immediately after completion of the Security Agreement;
  - (h) the rent payable is set out in Schedule 2; and
  - (i) the Properties are subject only to the encumbrances of a material nature listed in Schedule 2.
- 1.7 where title to any of the Properties is unregistered then save as may be disclosed in Schedule 2:
- (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;
- 1.8 we have received satisfactory evidence that the buildings insurance for the Properties is in place, for an amount not less than and in the sum and in the terms required by you with your interest noted on the Policy on completion;

- 1.9 [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;]
- 1.10 the Chargor has confirmed that all the Properties are presently used for residential purposes;
- 1.11 the Properties have the benefit of all the necessary easements required for the existing use, rights of access and all usual services (including water electricity gas drainage and telephone);
- 1.12 the searches and enquiries we have undertaken have not revealed any overriding interests (as referred to in Schedules 1 and 3 of the Land Registration Act 2002);
- 1.13 we have undertaken in respect of the Properties searches at the Local Land Charges Registry (Part I enquiries and Part II enquiries 4, 5, 18, 19 and 22), 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 3 months old at the date of this Certificate;
- 1.14 the use of the Properties is a lawful use free from any onerous or unusual restrictions and conditions under 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 Certificate;
- 1.15 the Chargor has told us that no notices materially affecting the Properties have been given or received;
- 1.16 the Properties are not subject to any nomination rights which are binding on the Properties or upon you and your successors in title;
- 1.17 our searches and enquiries have not revealed any agreement affecting any of the Properties under section 106 of the Town and Country Planning Act 1990 or section 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;
- 1.18 nothing has been revealed by our searches and enquiries which would prevent the Properties being used by any occupant for residential purposes;
- 1.19 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. **Approved Tenancy** means a tenancy agreement, shared ownership lease or licence substantially in line with the guidelines of the Regulator or in such other form as may be approved by the Security Agent;
- 1.20 none of the tenants of the Chargor has a right to buy or the right to acquire;
- 1.21 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;
- 1.22 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;

- 1.23 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][*update as applicable*] and we hold on behalf of the Chargor in relation to each of the Properties a relevant form of insurance cover issued by [the National House Building Council, Zurich Municipal or HAPM][*update as applicable*];
- 1.24 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;
- 1.25 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;
- 1.26 the assumptions by the valuers about title (its tenure, easements, boundaries and restrictions on use) in the valuation reports issued by [ ] and dated (the **Valuations**) are correct. The valuers have confirmed that there is nothing in this Certificate or the Tables (as defined below) which would cause the valuers to alter their report. There is nothing in the Valuations which is inconsistent with this Certificate or with the Tables (as defined below).
- 1.27 We refer to each of the following:
- (a) the table attached to this Certificate at Schedule 4 which lists each Property or part of a Property which is subject to a shared ownership lease (together with details of the percentage of the Property which is owned by the Chargor) or to a lease with an unexpired term of more than 30 years (the **Leases Table**); and
  - (b) the table attached to this Certificate at Schedule 5 which lists each Property or part of a Property which is subject to an obligation in a planning permission or planning agreement under, without limitation, Section 52 of the Town and Country Planning Act 1971, Section 38 of the Highways Act 1980, Section 106 of the Town and Country Planning Act 1990 or any provision in legislation of a similar nature, which has not been discharged or in respect of which no confirmation has been received of such discharge (the **Planning Table**),

the Lease Table and the Planning Table together being the **Tables**. We confirm that on the basis of and insofar as the same is discoverable from our investigations mentioned in this Certificate the Tables are complete and accurate in all respects.

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. It may be disclosed to other professional advisers instructed in connection with any Finance Document 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.

## 2. **QUALIFICATIONS**

- 2.1 We have not inspected the Properties nor have we made any enquiries of the occupiers of the Properties (other than the Chargor) nor, in the case of a leasehold property, of any landlord or superior landlord.

- 2.2 We give no opinion as to the capital or rental value of the Properties.
- 2.3 We have assumed that all original and copy documents relating to the Properties have been validly executed and delivered by the parties to them and that all documents are within the capacity and powers of, and have been validly authorised by, each party. There is nothing on the face of the documents which indicates otherwise.
- 2.4 Where information has been provided to us by the Chargor, our investigations have given us no reason to doubt the accuracy of that information but we do not accept responsibility for it.
- 2.5 So far as we are aware, we have seen the documentation and have been provided with the information which we need in order to give this Certificate.
- 2.6 Whilst we express no opinion on whether any transaction affecting the Chargor's title to the Properties may have been at an undervalue or otherwise liable to be set aside under the provisions of the Insolvency Act 1986, the Chargor has told us that it is not aware of any circumstances which could render any such transaction liable to be set aside under the provisions of that Act.
- 2.7 Any matter disclosed by this Certificate in relation to any particular paragraph is to be treated as being disclosed in relation to any other relevant paragraph.

**SCHEDULE 1**  
**The Properties**

<b>Property Address</b>	<b>Title Number</b>	<b>Freehold/ Leasehold</b>	<b>If Leasehold – unexpired term of Lease</b>

**SCHEDULE 2**  
**Any Qualifications**

**General**

*[Insert any general disclosures]*

**Specific**

*[Insert any specific disclosures]*

**[Name of specific property]**

**[Disclosure]**

**SCHEDULE 3**  
**Search information**

<b>NO</b>	<b>PROPERTY ADDRESS</b>	<b>TITLE NUMBER</b>	<b>[     ] SEARCHES CARRIED OUT</b>	<b>[     ] SEARCH INDEMNITY INSURANCE PUT IN PLACE</b>
1.				
2.				

**SCHEDULE 4**  
**Leases Table**

<b>Property Address</b>	<b>Percentage of Property owned by Chargor (shared ownership properties)</b>

**SCHEDULE 5  
Planning Table**

<b>Property Address</b>

**Signature Box**

SIGNED on behalf of <i>[insert name of firm of certifying solicitors]</i>	.....
Name of Authorised Signatory	.....
Date of Signature	.....

**SCHEDULE 8**  
**INCUMBENCY CERTIFICATE**

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

Attention: Corporate Trust Manager  
Facsimile: 020 7548 3883

[DATE]

We refer to the Security Trust Deed dated [on or about the date of this letter][25th July, 2013] between Poplar Housing and Regeneration Community Association Limited (the **Borrower**), Poplar HARCA Capital Plc (the **Issuer**) and Prudential Trustee Company Limited (the **Security Trustee**) (the **Security Trust Deed**).

\_\_\_\_\_ hereby confirms that the following persons are duly authorised signatories of Poplar Housing and Regeneration Community Association with authority to give instructions as contemplated by the Security Trust Deed.

Name	Position	Signature

Terms not otherwise defined herein shall bear the same meaning as in the Security Trust Deed.

.....  
for and on behalf of  
**Poplar Housing and Regeneration Community Association**  
in its capacity as Borrower

**SIGNATORIES**

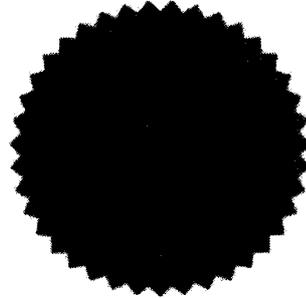
**Security Trustee**

**EXECUTED as a DEED** )  
by affixing **THE COMMON SEAL** of )  
**PRUDENTIAL TRUSTEE COMPANY LIMITED** )  
in the presence of: )

Sealing Officer



**AA Petrou**



Prudential Trustee Company Limited  
Laurence Pountney Hill  
London EC4R 0HH

Fax: 020 7548 3883  
Email: trustees@prumandg.co.uk  
Attn: Corporate Trust Manager

**Borrower**

**EXECUTED as a DEED** )  
acting by )  
and )  
acting under the authority of )  
**POPLAR HOUSING AND REGENERATION** )  
**COMMUNITY ASSOCIATION LIMITED** )

Authorised Signatory

Authorised Signatory

Poplar Housing and Regeneration Community Association Limited  
167a East India Dock Road  
London E14 0EA

Fax: 020 7510 0550  
Email: info@poplarharca.co.uk  
Attn: Finance Director

**SIGNATORIES**

**Security Trustee**

**EXECUTED as a DEED** )  
by affixing **THE COMMON SEAL** of )  
**PRUDENTIAL TRUSTEE COMPANY LIMITED** )  
in the presence of: )

Sealing Officer

Prudential Trustee Company Limited  
Laurence Pountney Hill  
London EC4R 0HH

Fax: 020 7548 3883  
Email: trustees@prumandg.co.uk  
Attn: Corporate Trust Manager

**Borrower**

**EXECUTED as a DEED** )  
acting by )  
and )  
acting under the authority of )  
**POPLAR HOUSING AND REGENERATION** )  
**COMMUNITY ASSOCIATION LIMITED** )

Authorised Signatory 

Authorised Signatory 



Poplar Housing and Regeneration Community Association Limited  
167a East India Dock Road  
London E14 0EA

Fax: 020 7510 0550  
Email: info@poplarharca.co.uk  
Attn: Finance Director

**Original Lender**

EXECUTED as a DEED  
by ~~affixing THE COMMON SEAL~~ of  
POPLAR HARCA CAPITAL PLC by a director  
in the presence of:

)  
) S.M.Sey )  
)

~~Authorised Signatory~~

~~Authorised Signatory~~ witness

N.F.   
POPLAR HARCA  
167A EAST INDIA DOCK RD  
LONDON E14

Poplar HARCA Capital Plc  
167a East India Dock Road  
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Fax: 020 7510 0550  
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Attn: Poplar HARCA Finance Director