



Registration of a Charge

Company name: **The Abbeyfield Society**

Company number: **00574816**



X61DMX7K

Received for Electronic Filing: **02/03/2017**

Details of Charge

Date of creation: **28/02/2017**

Charge code: **0057 4816 0009**

Persons entitled: **BARCLAYS BANK PLC**

Brief description: **PARKDALE, 91 TETTENHALL ROAD, WOLVERHAMPTON (INCLUDING FLATS 1-30) TITLE NUMBER SF107835; WESTHALL HOUSE, THE WESTALL CLUB, BIRCHGROVE ROAD, HORSTED KEYNES (INCLUDING BUNGALOWS 1-16) TITLE NUMBER WSX224064; VICTORIA HOUSE, 2-4 ENNERDALE ROAD, RICHMOND (INCLUDING ROOMS 1-30) TITLE NUMBERS SGL160967 AND SY89608; AND PALMER HOUSE, 1 ENNERDALE ROAD, RICHMOND (INCLUDING ROOMS 1-12) TITLE NUMBER SY108847**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S. 859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **ADDLESHAW GODDARD LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 574816

Charge code: 0057 4816 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 28th February 2017 and created by The Abbeyfield Society was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 2nd March 2017 .

Given at Companies House, Cardiff on 3rd March 2017

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated

28 February

2016/7

THE ABBEYFIELD SOCIETY
as Borrower

BARCLAYS BANK PLC
as Security Agent

WE HEREBY CERTIFY THAT THIS IS
A TRUE COPY (AS REDACTED) OF
THE ORIGINAL

ADDLESHAW GODDARD LLP
DATE 02/03/2017
ADDLESHAW GODDARD LLP

FIXED CHARGE

(To: The Chief Land Registrar. Note: This Deed contains (in clause 30) the consent of the Borrower to the lodgement at the Land Registry of an application by or on behalf of the Security Agent to enter a restriction in the Proprietorship Register and (in clause 30) the consent of the Borrower to the lodgement at the Land Registry of an application by or on behalf of the Security Agent to enter a notice on the Charges Register.)

ADDLESHAW GODDARD

This Deed is dated

28 February 2017

and is made between:

- (1) **The Abbeyfield Society** registered as a private company limited by guarantee under the Companies Acts 1985 - 2006 with registered number 00574816, as a Registered Provider with the Social Housing Regulator with registered number H1046 and as a registered charity with the Charity Commission with registered number 200719 whose registered office is at St Peter's House, 2 Bricket Road, St. Albans, Hertfordshire AL1 3JW as borrower (the "**Borrower**"); and
- (2) **Barclays Bank PLC** as agent and trustee of the security constituted under this Deed for itself and the Finance Parties (as defined below) (the "**Security Agent**", which expression shall include each person or company and all other persons or companies acting as security agent under this Deed).

Whereas

- (A) By a facility agreement dated 23 June 2014 (the "**Facility Agreement**") and made between the Borrower and Barclays Bank PLC in its capacities as Arranger, Original Lender, Facility Agent and Security Agent, the Lenders (as defined in the Facility Agreement) agreed to make a loan facility available to the Borrower.
- (B) It is a condition to the Lenders (as defined in the Facility Agreement) making the loan facility available under the Facility Agreement that the Borrower enters into this Deed to provide security to the Security Agent for the benefit of the Security Agent and the Finance Parties (as defined below) for the purposes and on the terms described below.
- (C) It is intended by the parties hereto that this document shall take effect as a deed.

Now it is agreed as follows:

1 Interpretation

1.1 Definitions

In this Deed:

"**Approved Tenancy**" has the meaning given to it in the Facility Agreement.

"**Arranger**" has the meaning given to it in the Facility Agreement.

"**Default Rate**" has the meaning given to it in the Facility Agreement.

"**Facility Agent**" has the meaning given to it in the Facility Agreement.

"**Finance Documents**" means:

- (a) the Facility Agreement;
- (b) each Security Document;
- (c) the Fee Letter;
- (d) each Novation Certificate; and
- (e) each document designated (including in the Facility Agreement) in writing as a Finance Document by the Borrower and the Facility Agent,

including in each case any amendment or restatement thereof or supplement thereto and any agreement extending the maturity, increasing any amount payable thereunder, changing the basis for calculation of any payment thereunder, introducing new or additional obligations thereto or refinancing or restructuring any of the indebtedness constituted thereby.

"Finance Parties" has the meaning given to it in the Facility Agreement, and "Finance Party" means any one of them.

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

"Insurances" means all contracts and policies of insurance of whatever nature which are from time to time taken out by or with the authority and on behalf of the Borrower or (to the extent of such interest) in which the Borrower has an interest, in each case in connection with the Mortgaged Property.

"Lenders" has the meaning given to it in the Facility Agreement.

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

"Majority Lenders" has the meaning given to it in the Facility Agreement.

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

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

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

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

"Right to Buy" has the meaning given to it in the Facility Agreement.

"Secured Liabilities" means all present and future monies, obligations and liabilities (whether actual or contingent and whether sole or joint) payable, owing, due or incurred by the Borrower to the Finance Parties or any of them under or in connection with any of the Finance Documents.

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

"Security Documents" means:

- (a) this Deed;
- (b) each Fixed Charge;
- (c) each Account Charge;
- (d) each other document guaranteeing or creating security for the obligations of the Borrower under any Finance Document to any Finance Party; and

- (e) any document designated in writing as such by the Borrower and either the Security Agent or the Facility Agent (in each case acting on the instructions of the Majority Lenders),

and includes in each case any amendment or restatement thereof or supplement thereto.

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

"Security Period" means the period beginning on the date hereof and ending on the date upon which the Security Agent is satisfied 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.

"Shared Ownership Sale" has the meaning given to it in the Facility Agreement.

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

1.2 Construction

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

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

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

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

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

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

- (ii) a clause or a schedule is a reference to a clause of or a schedule to this Deed;

- (iii) a law is a reference to that law as re-enacted, amended or replaced;

- (iv) a Finance Document or another document is a reference to that Finance Document or other document as amended, novated, replaced, restated, supplemented or varied from time to time; and

- (v) a Finance Party shall include a reference to the successors, permitted assigns or transferees (whether immediate or derivative) of such Finance Party.

- (b) Unless the contrary intention appears or as otherwise defined herein, 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.
- (c) The index to and the headings in this Deed are for convenience only and are to be ignored in construing this Deed.
- (d) The terms of the documents under which the Secured 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.
- (e) If the Security Agent considers that an amount paid to the Security Agent or any Finance Party for application in or towards repayment of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Borrower or otherwise, then such amount shall not be considered to have been irrevocably paid for the purposes hereof.

1.3 Certificates

A certificate of the Security Agent setting forth the amount of any Secured Liability due from the Borrower shall be conclusive evidence of such amount against the Borrower in the absence of manifest error.

2 Covenant to pay

2.1 Covenant

The Borrower hereby covenants with the Security Agent for the benefit of itself and the Finance Parties that it will pay or discharge the Secured Liabilities on the due date therefor in the manner provided in the relevant Finance Document. Any amount not paid hereunder when due shall bear interest (as well after as before judgment and payable on demand) at the Default Rate from the due date until the date such amount is unconditionally and irrevocably paid and discharged in full.

2.2 Right of appropriation

Upon and after the occurrence of an Event of Default for so long as the same is continuing, and which has not been remedied or waived in accordance with the terms of the relevant Finance Document, the Security Agent shall be entitled to appropriate monies and/or assets to be applied against the Secured Liabilities in such manner or order as it sees fit (subject to clause 1.1) and any such appropriation shall override any appropriation by the Borrower.

3 Fixed charges

3.1 Fixed charges

The Borrower with full title guarantee, as security for the payment of all Secured Liabilities, charges in favour of the Security Agent for the benefit of itself and the Finance Parties:

- (a) by way of a first fixed legal mortgage all the property referred to in schedule 1 together with all buildings and fixtures, erections and structures thereon or in the course of construction thereon, the proceeds of sale of all or any part thereof and (so far as the same are capable of being mortgaged) the benefit of any covenants for title given or entered into by any predecessor in title of the Borrower and any monies paid or payable in respect of such covenants;
- (b) by way of first fixed charge:

- (i) all plant and machinery (except for the Fixtures within clause 3.1(a) above) now or in the future owned by the Borrower and its interest in any plant and machinery in its possession which form part of or are operated by the Borrower on the Mortgaged Property;
- (ii) all benefits in respect of the Insurances and all claims and returns of premiums in respect thereof;
- (iii) the benefit of all present and future licences, consents and authorisations (statutory or otherwise) held in connection with the Security Assets and the use of any of the Security Assets specified in clauses 3.1(a) and 3.1(b)(i) above and the right to recover and receive all compensation which may at any time become payable to it in respect thereof; and
- (iv) if and in so far as the legal mortgage set forth in clause 3.1(a) above or the assignments set out in clause 3.2 below shall for any reason be ineffective as legal mortgages or assignments, the assets referred to in those clauses.

3.2 Assignments

The Borrower with full title guarantee as security for payment of the Secured Liabilities assigns to the Security Agent for the benefit of itself and the Finance Parties (to the fullest extent assignable or capable of assignment without first infringing any contracted provision restricting the same) all of its rights, title and interest in and to:

- (a) the personal agreements and covenants (still subsisting and capable of being enforced) by the tenants, lessees, licensees or other parties under the Letting Documents and by all guarantors and all security held by the Borrower from time to time whether present or future in respect of the obligations of the tenants, lessees, licensees or other parties under the Letting Documents (including, without limiting the generality of the foregoing, all monies due and owing to the Borrower or which may become due and owing to the Borrower at any time in the future in connection therewith and any rent arrears or service charges due at any time from any tenants, lessees, licensees or other parties under the Letting Documents, regardless of whether such amounts became due before or after the date of this Deed); and
- (b) all agreements now or from time to time entered into or to be entered into to enable the charging of the Security Assets and for the sale, letting or other disposal or realisation of the whole or any part of the Security Assets (including, without limiting the generality of the foregoing, all monies due and owing to the Borrower or which may become due and owing to the Borrower at any time in the future in connection therewith) and also, in respect of the Mortgaged Property and other Security Assets, any development agreements, contracts (including, without limitation, building and works contracts) or warranties the benefit of which is or will be vested in the Borrower (so far as such are assignable).

provided always that:

- (i) until an Event of Default or Potential Event of Default has occurred and is continuing, the Borrower shall be entitled to exercise its rights under or in connection with the agreements and covenants referred to in clause 3.2(a) above, the letting agreements referred to in clause 3.2(b) above and all sale agreements in respect of Right to Buy disposals and Shared Ownership Sales; and
- (ii) on payment and discharge of the Secured Liabilities the Security Agent will at the request and cost of the person lawfully requiring the Security Agent so to do reassign the same and prior to such payment or discharge upon being requested so to do by the Borrower and upon being provided with a full indemnity for its costs, the Security Agent will either take such steps (including where appropriate the issue of proceedings) as the Borrower may require to enforce the terms of any of the agreements referred to in this

clause 3.2 or, at the option of the Security Agent, having due regard to the representations made by the Borrower reassign the relevant agreement or the rights of action accrued thereunder to the Borrower to the extent necessary to enable the Borrower to enforce the same; and

- (iii) the Security Agent shall not give any notice of assignment contained in this clause 3.2 to any person (other than any landlord of property in respect of which the Borrower is a tenant) unless and until an Event of Default or Potential Event of Default has occurred and is continuing.

4 Continuing security, etc.

4.1 Continuing security

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

4.2 Reinstatement

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

4.3 Immediate recourse

The Borrower waives any right it may have of first requiring the Security Agent or any Finance Party to proceed against or enforce any other rights or security or claim payment from any other person before enforcing the security constituted by this Deed.

4.4 Additional security

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

5 Representations and warranties

5.1 To whom made

The Borrower makes the representations and warranties set out in clause 5.2 to the Security Agent and each Finance Party.

5.2 Matters represented

- (a) **The Mortgaged Property:** Save as disclosed in the certificate of title relating to the Mortgaged Property dated the same date as this deed addressed by Devonshires Solicitors to the Security Agent:
 - (i) the Borrower is the legal and beneficial owner of the Mortgaged Property, subject to any Right to Buy or Shared Ownership Property arrangements;
 - (ii) where applicable planning permission has been obtained or is deemed to have been granted in accordance with statute for the purposes of the Planning Acts and has been complied with in respect 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 respect of all developments, alterations and improvements to the Mortgaged Property 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, interests, rights or other matters whatsoever affecting the Mortgaged Property which materially affect adversely or are reasonably likely to materially adversely affect the value of the Mortgaged Property;
- (iv) nothing has arisen or has been created or is subsisting which would be an overriding interest over the Mortgaged Property which materially adversely affects or is reasonably likely to materially adversely affect the value of the Mortgaged Property;
- (v) no facilities necessary for the enjoyment and use of the Mortgaged Property are enjoyed by the Mortgaged Property on terms entitling any person to terminate or curtail its or their use which materially adversely affects or is reasonably likely to materially adversely affect the value of the Mortgaged Property;
- (vi) the Borrower has received no notice of any adverse claims by any person in respect of the ownership of the Mortgaged Property or any interest therein, nor has any acknowledgement been given to any person in respect thereof; and
- (vii) the Mortgaged Property will from the date hereof be free from any tenancies or licences other than those permitted under the Facility Agreement.

- (b) **Security:** Subject to registration at the Land Registry and Companies House, this Deed creates those Security Interests it purports to create ranking as set out above and is not liable to be avoided or otherwise set aside on the liquidation or administration of the Borrower or otherwise.

5.3 Times for making representations and warranties

The representations and warranties set out in this clause 5 are made on the date of this Deed and are deemed to be repeated on each day a Representation (as defined in the Facility Agreement) is deemed repeated under the Facility Agreement, in each case with reference to the facts and circumstances then existing.

6 Undertakings

6.1 Duration and with whom made

The undertakings in this clause 6:

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

6.2 Maintenance of Property

The Borrower will:

- (a) **Repair:** keep the Premises in good and tenantable repair and condition and adequately and properly painted and decorated and keep the Fixtures and all plant, machinery, implements and other effects for the time being owned by it and which are in or upon the Premises or elsewhere in a good state of repair and in good working order and condition (save for fair wear and tear) except where the Premises are part of a development approved by the Security Agent and in the case of Premises subject to such a development to keep the site, or require its contractors to keep the site, of such development when unattended secure and in a safe condition;

(b) **Insurance:**

- (i) insure and keep insured and procure the insurance of the Premises, Fixtures and all its other assets of an insurable nature therein against loss or damage by fire, explosion, aircraft and other risks normally insured against by persons carrying on the same class of business as that carried on by it and such other risks as the Security Agent shall from time to time in writing reasonably require in a sum or sums not less than the replacement value 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, liabilities to employees and third parties and contingencies arising under any Act and common law) and such period of loss of rent insurance as the Security Agent shall from time to time in writing reasonably require in each case with such insurance company or underwriters as may be acceptable to the Security Agent and effect and maintain, to the satisfaction of the Security Agent, insurance against such other risks as the Security Agent shall reasonably require. All monies 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 in such manner as the Security Agent and the Borrower may agree or, after an Event of Default which is continuing if the Security Agent so directs and the terms of the relevant insurances so permit, in or towards satisfaction of the Secured Liabilities;
- (ii) in the case of Mortgaged Property subject to a development until practical completion maintain or procure maintenance in accordance with any development contract the insurance of any development works under the terms of contractors' all risk policy of insurance in a form reasonably approved by the Security Agent or with insurers or underwriters reasonably approved by the Security Agent in the full re-instatement value from time to time of the development works and the full replacement value from time to time of such goods and materials (together with provisions for professional fees forward inflation and debris removal) and all other costs in the joint names of the Borrower, the Security Agent and (as appropriate) such contractor;
- (iii) cause to be insured the site of the Mortgaged Property subject to a development in respect of sufficient public liability insurance to the satisfaction of the Security Agent; and
- (iv) upon practical completion cause the Mortgaged Property subject to a development to be insured in accordance with clause 6.2(b)(i) above;
- (c) **Noting of interest:** procure that a note of the Security Agent's and the Finance Parties' interest (in a manner satisfactory to the Security Agent) is endorsed upon all policies of insurance relating to the Mortgaged Property (except where the relevant policy or policies are effected in the joint names of the Borrower and the Lender (and, as appropriate, any third party) or the relevant policy or policies provide for the automatic noting of a mortgagee's interest and the Borrower has provided evidence of this satisfactory to the Security Agent) which shall at any time during the subsistence of this security be effected, maintained or held by the Borrower (or any person on its behalf pursuant to clause 6.2(b) above), and procure that the relevant policy or policies contain provisions that such policy or policies will not be terminated or otherwise allowed to lapse unless 14 days' prior notice is given to the Security Agent;
- (d) **Maintenance of Insurances:** not do or knowingly permit anything to be done in or upon or relating to the Mortgaged Property or any part thereof which may make void or voidable any Insurance in connection therewith;
- (e) **Premiums:** promptly pay all premiums and do all other things necessary to keep all of the Insurances in force and, on reasonable demand by the Security Agent, produce to the Security Agent the policy, certificate or cover note relating to each Insurance (as

requested by the Security Agent) and of the receipt for the payment of each such premium;

- (f) **Compliance with leases:** pay (if it is the lessee) the rents reserved by and (in any event) perform and observe all the covenants, agreements and stipulations on the part of the Borrower contained in any lease or leases comprised within the Mortgaged Property and not to do or suffer to be done any act or thing whereby such lease or leases may become liable to forfeiture or otherwise be determined, provided that if a notice pursuant to section 146 of the Law of Property Act 1925 is served on the Borrower the Borrower shall promptly inform the Security Agent;
- (g) **Taxes and outgoings:** pay as and when the same shall become payable all Taxes, rates, duties, charges, assessments and outgoings whatsoever (whether parliamentary, parochial, local or of any other description) which shall be assessed, charged or imposed upon or payable in respect of the Mortgaged Property or any part thereof (but not in respect of the occupier thereof where the Borrower is not the occupier);
- (h) **User:** use the Mortgaged Property only for such purpose or purposes as may for the time being be authorised as the permitted use or user thereof under or by virtue of the Planning Acts;
- (i) **Notices:** within 7 days after the receipt by the Borrower of any application, requirement, order or notice served or given by any public or local or any other authority in relation to the Mortgaged Property or any part thereof where the cost of compliance with that application, requirement, order or notice when aggregated with others outstanding at that time is in excess of £100,000, give written notice thereof to the Security Agent and also (within 7 days after demand) produce the same or a copy thereof to the Security Agent and inform it of the steps taken or proposed to be taken to comply with any such requirement thereby made or implicit therein;
- (j) **Statutes:** duly and punctually perform and observe all its obligations in connection with the Security Assets under any present or future statute or any regulation, order or notice made or given thereunder;
- (k) **Development:** not carry out, or permit to be carried out, on any part of the Mortgaged Property except with the previous consent in writing of the Security Agent any development (within the meaning of that expression in the Planning Acts and being development for which the permission of the local planning authority is required) other than any development approved or contemplated under the Facility Agreement (if any);
- (l) **Leases:**
 - (i) save as otherwise provided in clause 15.11(b) of the Facility Agreement, not without the previous consent in writing of the Security Agent grant or agree to grant (whether in exercise or independently of any statutory power) any lease or tenancy of the Mortgaged Property or any part thereof or accept a surrender of any lease or tenancy or confer upon any person any contractual licence or right to occupy the Mortgaged Property other than an Approved Tenancy and provided, on request by the Security Agent, it notifies the Security Agent of all leases, tenancies, licences or rights to occupy granted or surrendered by it and if so reasonably requested by the Security Agent provided it sends a copy thereof to the Security Agent forthwith upon request;
 - (ii) enforce and not waive or release the covenants, conditions, agreements and obligations contained in or imposed by any of the Letting Documents or any guarantee in respect of the obligations of the tenants, lessees, licensees or other parties thereunder which materially adversely affects or is reasonably likely to materially adversely affect the value of the Mortgaged Property;

- (iii) not without the prior written consent of the Security Agent accept or agree to accept the surrender or alteration of any of the Letting Documents which materially adversely affects or is reasonably likely to materially adversely affect the value of the Mortgaged Property and observe and perform all the covenants, conditions, agreements and obligations on its part in all material respects;
- (iv) at any time after an Event of Default has occurred and is continuing, issue irrevocable instructions to the other parties to any Letting Document to pay rents and sums due under any Letting Document to the Security Agent or into such account(s) as the Security Agent may require; and
- (v) deliver to the Security Agent within 14 days of demand full particulars of all agreements, leases, tenancies or licences to occupy affecting the Mortgaged Property however remote or inferior;
- (m) **Deposit of title deeds:** subject to the Facility Agreement, deposit with the Security Agent all deeds and documents of title relating to the Security Assets (and it is hereby agreed that the Security Agent shall be entitled to hold the same during the Security Period) except to the extent that any such Security Assets:
 - (i) are sold pursuant to a Right to Buy disposal or a Shared Ownership Sale; or
 - (ii) are released by the Security Agent pursuant to the terms of clause 17.3 or 17.4 of the Facility Agreement; and
- (n) **Access:** duly and punctually perform and observe all covenants and stipulations (restrictive or otherwise) affecting all or any part of the Mortgaged Property and indemnify the Security Agent and each Finance Party in respect of any breach thereof and permit (so far as it is lawful and subject to the relevant tenant's rights) the Security Agent and any person nominated by it at all reasonable times (provided that reasonable notice has been given by the Security Agent to the Borrower) to enter upon the Mortgaged Property and view the state of the same.

6.3 Negative pledge and disposals

- (a) The Borrower shall not create or permit to subsist any Security Interest on any of the Security Assets or any income derived therefrom save as permitted under the Facility Agreement.
- (b) The Borrower shall not sell, transfer, grant, lease or otherwise dispose of all or any part of the Security Assets or any income derived therefrom without the prior written consent of the Security Agent (acting on the instructions of the Majority Lenders) save as permitted under the Facility Agreement.

7 Power to remedy

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

8 When security becomes enforceable

The security hereby conferred shall become immediately enforceable and the power of sale and other powers conferred by section 101 of the Law of Property Act 1925 as varied or

amended by this Deed shall be immediately exercisable upon and after an Event of Default has occurred and is continuing and which has not been remedied or waived in accordance with the terms of the relevant Finance Document. After the security constituted hereby has become enforceable, the Security Agent may enforce all or any part of such security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of such security subject to the terms of the Finance Documents.

9 Enforcement of security

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 93 of the Law of Property Act 1925 (restricting the right of consolidation) and section 103 of the Law of Property Act 1925 (restricting the power of sale) shall not apply to this security. The statutory powers of leasing conferred on the Security Agent shall be extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent shall think fit and without the need to comply with any of the provisions of sections 99 and 100 of that Act.

10 Receiver

10.1 Appointment of a Receiver

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

10.2 Powers of a Receiver

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

- (a) **Take possession:** to take immediate possession of, get in and collect the Security Assets or any part thereof;
- (b) **Protection of assets:** to make and effect all repairs and Insurances and do all other acts which the Borrower might do in the ordinary conduct of its business as well for the protection as for the improvement of the Security Assets and to commence and/or complete any building operations on the Mortgaged Property and to apply for and maintain any planning permissions, building regulation approvals and any other permissions, consents or licences, in each case as he may in his absolute discretion think fit;
- (c) **Borrow money:** for the purpose of exercising any of the powers, authorities and discretions conferred on him by or pursuant to this Deed and/or of defraying any costs, charges, losses or expenses (including his remuneration) which shall be incurred by him in the exercise thereof or for any other purpose, to raise and borrow money either unsecured or on the security of the Security Assets or any part thereof either in priority to the security constituted by this Deed or otherwise and generally on such terms and conditions as he may think fit and no person lending such money shall be concerned to enquire as to the propriety or purpose of the exercise of such power or to see to the application of any money so raised or borrowed;
- (d) **Sell assets:** to sell, exchange, convert into money and realise all or any part of the Security Assets by public auction or private contract and generally in such manner

and on such terms as he shall think proper. Without prejudice to the generality of the foregoing he may do any of these things for a consideration consisting of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as he may think fit. Fixtures, other than landlords fixtures, may be severed and sold separately from the property containing them without the consent of the Borrower;

- (e) **Leases:** to let all or any part of the Security Assets for such term and at such rent (with or without a premium) as he may think proper and to accept a surrender of any lease or tenancy thereof on such terms as he may think fit (including the payment of money to a lessee or tenant on a surrender);
- (f) **Compromise:** to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Borrower in relation to the Security Assets or any part thereof;
- (g) **Legal actions:** to bring, prosecute, enforce, defend and abandon all such actions, suits and proceedings in relation to the Security Assets or any part thereof as may seem to him to be expedient;
- (h) **Receipts:** to give valid receipts for all monies and execute all assurances and things which may be proper or desirable for realising the Security Assets;
- (i) **Insolvency Act 1986 and Law of Property Act 1925:**
 - (i) all the powers (as varied and extended by the provisions of this Deed) conferred by the Insolvency Act 1986 on mortgagees in possession, Administrators, Receivers and Administrative Receivers (each as defined therein); and
 - (ii) to do all such other acts and things as any Receiver may consider desirable or necessary for realising the Security Assets or any part thereof or incidental or conducive to any of the matters, powers or authorities conferred on a Receiver under or by virtue of this Deed and to exercise in relation to the Security Assets or any part thereof all such powers, authorities and things as he would be capable of exercising if he were the absolute beneficial owner of the same and to use the name of the Borrower for all or any of such purposes;
- (j) **Building work:** to demolish, alter, improve, develop, complete, construct, modify or refurbish the whole or any part of the Mortgaged Property and the Fixtures thereon and to complete or undertake or concur in the completion or undertaking of any approved development (with or without modification) and any other project in which the Borrower was concerned or interested in prior to his appointment being a project for the demolition, alteration, improvement, development, completion, construction, modification, rebuilding or reinstatement, refurbishment or repair of the Mortgaged Property (or any part thereof) and the Fixtures and in particular (without prejudice to the generality of the foregoing) to carry out and complete such approved development;
- (k) **Repairs:** to undertake, effect or complete any work of repair, maintenance, modification, redecoration, improvement, fitting out and furnishing of the Mortgaged Property or any part thereof;
- (l) **Planning and environment:** to apply for and obtain any planning permissions, building regulation approvals, environmental permits and any other permissions, consents or licences in relation to the Security Assets or any part thereof;

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

10.3 Removal and remuneration

The Security Agent may from time to time by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it may deem it expedient, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated and may from time to time fix the remuneration of any Receiver appointed by it.

10.4 Security Agent 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 Agent in relation to the whole of such Security Assets or any part thereof without first appointing a Receiver of such property or any part thereof or notwithstanding the appointment of a Receiver of such property or any part thereof.

11 Application of proceeds

Any monies received by the Security Agent or by any Receiver appointed by it pursuant to this Deed and/or under the powers hereby conferred shall, after the security hereby constituted shall have become enforceable but subject to the payment of any claims having priority to this security and to the Security Agent's and such Receiver's rights under clause 10 be applied by the Security Agent for the following purposes and, unless otherwise determined by the Security Agent or such Receiver, in the following order of priority (but without prejudice to the right of the Security Agent or any Finance Party to recover any shortfall from the Borrower):

- (a) in satisfaction of or provision for all costs, charges and expenses incurred and payments made by the Security Agent or any Receiver appointed hereunder and of all remuneration due hereunder together with interest on the foregoing (as well after as before judgment and payable on demand) at the Default Rate from the date the same become due and payable by the Borrower until the date the same are unconditionally and irrevocably paid and discharged in full;
- (b) in or towards payment of the Secured Liabilities or such part of them as is then due and payable; and

(c) in payment of the surplus (if any) to the Borrower or other person entitled thereto.

12 No liability as mortgagee in possession

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

13 Protection of third parties

No purchaser, mortgagee or other person or company dealing with the Security Agent 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 Agent or to such Receiver.

14 Expenses

All costs, charges and expenses incurred and all payments made by the Security Agent or any Receiver appointed hereunder in the lawful exercise of the powers hereby conferred whether or not occasioned by any act, neglect or default of the Borrower shall carry interest (as well after as before judgment) at the Default Rate from the date of the same being incurred or becoming payable by the Borrower until the date the same are unconditionally and irrevocably paid and discharged in full. The amount of all such costs, charges, expenses and payments and all such interest thereon and all remuneration payable hereunder shall be payable by the Borrower on demand. All such costs, charges, expenses and payments shall be paid and charged as between the Security Agent and the Borrower on the basis of a full indemnity and not on the basis of party and party or any other kind of taxation.

15 Indemnity

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

16 Delegation by the Security Agent and Receiver

The Security Agent 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 Agent or any Receiver under this Deed in relation to the Security Assets or any part thereof. Any such delegation may be made upon such terms and subject to such regulations as the Security Agent or any Receiver may think fit. Neither the Security Agent nor any Receiver shall be in any way liable or responsible to the Borrower for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

17 Further assurances

17.1 Statutory covenant

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

17.2 General

The Borrower shall at its own expense execute and do all such assurances, acts and things as the Security Agent 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 Agent or any Receiver of the Security Assets or any part thereof or in any such delegate or sub-delegate as aforesaid. To that intent, the Borrower shall in particular execute all transfers, conveyances, assignments (whether legal or equitable) and assurances of such property whether to the Security Agent or to its nominees and give all notices, orders and directions and make all registrations which the Security Agent may reasonably think necessary and obtain all necessary consents to procure the registration of this Deed at the Land Registry.

17.3 Legal charge

Without prejudice to the generality of clauses 17.1 and 17.2 the Borrower will forthwith at the request of the Security Agent 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 Agent (as agent and trustee as aforesaid) in such form as the Security Agent may reasonably require.

17.4 Implied covenants for title

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

18 Redemption of prior mortgages

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

19 Activities of the Security Agent

19.1 Discretions

The Security Agent shall:

- (a) save as otherwise expressly provided in this Deed, until the security hereby constituted shall have become enforceable, in granting any consent or waiver or exercising any power, trust, authority or discretion hereby vested in it, act as it in its absolute discretion shall think fit, in which case it shall be in no way responsible for any loss, costs, damages or expenses which may result from the exercise or non-exercise thereof save in the case of its own gross negligence or wilful misconduct; and
- (b) save as otherwise in this Deed expressly provided, as regards all the powers, trusts, authorities and discretions hereby vested in it, after the security hereby constituted

shall have become enforceable, have absolute discretion as to the exercise thereof and shall be in no way responsible for any loss, costs, damages or expenses which may result from the exercise or non-exercise thereof save in the case of its own gross negligence or wilful misconduct.

19.2 Protections

By way of supplement to the Trustee Acts and in addition to the provisions of clause 19 of the Facility Agreement, it is expressly declared as follows:

- (a) the Security Agent may in relation to any of the provisions of this Deed 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 Agent or otherwise and shall not be responsible for any loss occasioned by so acting;
- (b) any opinion, advice or information obtained pursuant to the foregoing clause 19.2(a) may be sent or obtained by letter, fax, telephone or other means and the Security Agent 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 Agent may call for and shall be at liberty to accept as sufficient evidence a certificate signed by any Authorised Signatory of the Borrower 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 Agent may require to be satisfied. The Security Agent 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 Agent 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 Agent shall not be liable for any failure, omission or defect in perfecting the security hereby constituted including without prejudice to the generality of the foregoing:
 - (i) failure to obtain any licence, consent or other authority for the execution of this Deed; or
 - (ii) failure to register the same in accordance with the provisions of any of the documents of title of the Borrower to any of the property hereby charged; and
- (f) the Security Agent may accept without enquiry, requisition, objection or investigation such title as the Borrower may have to the Security Assets or any part thereof.

19.3 Performance by the Borrower

Except as herein expressly provided the Security Agent is hereby authorised and it shall be entitled to assume without enquiry (in the absence of knowledge by or an express notice to it to the contrary) that the Borrower is duly performing and observing all the covenants, conditions, provisions and obligations contained in this Deed and/or in respect of the Secured Liabilities and on its part to be performed and observed.

19.4 Conflict of interest

Each of the parties hereto acknowledges that the Security Agent is or may be a Lender or other Finance Party in respect of certain Secured Liabilities secured by this Deed and hereby specifically agrees that the Security Agent shall be entitled, notwithstanding that it is the Security Agent, to take or refrain from taking, any action which it would be entitled so to take in its capacity as Lender or other Finance Party if it were not the Security Agent and shall not be

precluded by virtue of its position as a Lender or other Finance Party, from exercising any of its discretions, powers and duties as a Security Agent. The Security Agent and any director or officer of any other corporation being a trustee of this Deed may enter into any banking, financial or business contracts or any other transactions or arrangements with the Borrower or any person associated with it whether in relation to the Facility Agreement or any facility granted thereunder or in any other manner whatever and the Security Agent shall be in no way accountable to the Borrower or save as herein expressly provided to any of the Lenders for any profits or benefits arising from any such contract or transaction or from any contract or loan or deposit or any other contract or transaction or arrangement which any person not being a trustee of this Deed could or might have entered into with the Borrower or any person associated with it.

19.5 Resignation of the Security Agent

The Security Agent may retire and be replaced or be removed and replaced in each case in accordance with the Facility Agreement. The retirement or removal of the Security Agent shall not become effective until a successor agent is appointed and shall have become bound by the provisions of this Deed whereupon the Security Agent retiring or being removed shall thereby forthwith be discharged from such provisions. Upon the replacement Security Agent agreeing in writing that it shall assume the duties and obligations assumed by the Security Agent in this Deed, it shall have all the rights, trusts, powers, authorities, discretions, duties and obligations of and vested in the Security Agent under this Deed.

20 Power of attorney

20.1 Appointment

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

20.2 Ratification

The Borrower hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in clause 20.1 shall do or purport to do in good faith in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in such.

21 New accounts

If the Security Agent or any Finance Party 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 Agent or such Finance Party may open a new account or accounts with the Borrower. If the Security Agent or such Finance Party (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 Agent or such Finance Party 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.

22 Stamp duties

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

23 Transfers and the perfection of security

The Borrower shall be bound by and hereby irrevocably authorises the Facility Agent (in the case of (a) below) or the Security Agent (in the case of (b) below) to execute on its behalf:

- (a) Novation Certificates (without any need for the prior consent of the Borrower) in accordance with the provisions of the Facility Agreement; and
- (b) any other document required to perfect the security granted to the Finance Parties pursuant to the Finance Documents.

24 Waivers, remedies cumulative

24.1 The rights of the Security Agent and each Finance Party 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.

25 Set-off

The Security Agent and each Finance Party may (to the extent that the same is beneficially owned by it) set-off any matured obligation due from the Borrower under the Finance Documents against any matured obligation owed by the Security Agent or such Finance Party (as the case may be) to the Borrower, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Agent or such Finance Party (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. The Security Agent or such Finance Party exercising its right of set-off hereunder shall notify the Borrower and the Facility Agent promptly of the exercise of such right.

26 Time deposits

Without prejudice to clause 25, if any time deposit matures on any account the Borrower has with the Security Agent or any other Finance Party 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 Agent or such Finance Party in its absolute discretion considers appropriate unless the Security Agent or such Finance Party (as the case may be) otherwise agrees in writing.

27 Severability

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

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

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

28 Counterparts

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

29 Notices

29.1 Giving of notices

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

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

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

29.2 Addresses for notices

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

- (a) in the case of the Borrower:

The Abbeyfield Society
St Peter's House
2 Bricket Road
St. Albans
Hertfordshire
AL1 3JW

Fax: 01727 734060
Attention: Finance Director

- (b) in the case of the Security Agent:

Barclays Bank PLC
Level 27
1 Churchill Place
London
E14 5HP

Fax: 020 7116 7632
Attention: Glenn Sargent

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

30 Provisions as to security

30.1 Land registration

The Borrower hereby consents to the lodgement at the Land Registry of an application by or on behalf of the Security Agent for the entry of the following restriction in the Proprietorship Register of any property which is, or is required to be, registered forming part of the Mortgaged Property:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [the date of this Fixed Charge] in favour of Barclays Bank PLC referred to in the charges register or their conveyancer."

30.2 Further advances

- (a) Subject to the terms of the Finance Documents, certain Finance Parties are under an obligation to make further advances to the Borrower in accordance with the terms of the Finance Documents.
- (b) For the purposes of section 94(1)(c) of the Law of Property Act 1925, section 49(3) of the Land Registration Act 2002 and Rule 108 of the Land Registration Rules 2003, the obligation on the relevant Finance Parties to make further advances will be deemed to be incorporated in this Deed as if the same were set out in this Deed.
- (c) For the purposes of the Land Registration Rules 2003 and section 49(3) of the Land Registration Act 2002, the Borrower hereby consents to the lodgement at the Land Registry of an application by or on behalf of the Security Agent 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.

30.3 Certification

The Borrower hereby certifies that the security created by this Deed does not contravene any of the provisions of the Companies Acts 1985 - 2006 or the Constitutive Documents of the Borrower.

30.4 Implied terms

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

31 Further representation and warranty

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

32 Release

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

33 Governing law

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

34 Charity

The Borrower certifies that:

- (a) the Mortgaged Property is held by or in trust for a charity by the proprietor; and
- (b) the charity is not exempt but the disposition is one falling within sub-section 9 of section 124 of the Charities Act 2011.

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

Schedule 1

Mortgaged Property

All the land and buildings comprised in the following title numbers:

<u>Property</u>	<u>Title</u>	<u>Freehold/Leasehold</u>
Parkdale, 91 Tettenhall Road, Wolverhampton WV3 9PG (including Flats 1 – 30)	SF107835	Freehold
Westhall House, The Westall Club, Birchgrove Road, Horsted Keynes RH17 7BS (including bungalows 1 – 16)	WSX224064	Freehold
Victoria House, 2-4 Ennerdale Road, Richmond TW9 3PG (including Rooms 1 – 30)	SGL160967 & SY89608	Freehold
Palmer House, 1 Ennerdale Road, Richmond TW9 3PG (including Rooms 1 – 12)	SY108847	Freehold

SIGNATORIES TO FIXED CHARGE

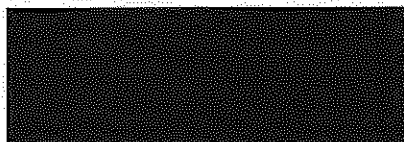
Executed as a deed by)
THE ABBEYFIELD)
SOCIETY in the)
presence of)

.....
Authorised Signatory
.....

Authorised Signatory

[to conform with the relevant board resolution of the Borrower]

BARCLAYS BANK PLC as Security Agent



By G. G. SARGENT
DIRECTOR