



**Registration of a Charge**

Company name: **A A HOMES AND HOUSING LTD**

Company number: **02928711**



X6HAQ1JD

Received for Electronic Filing: **18/10/2017**

---

**Details of Charge**

Date of creation: **12/10/2017**

Charge code: **0292 8711 0008**

Persons entitled: **MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY AS SECURITY TRUSTEE**

Brief description: **NONE.**

**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:

**ASHURST LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 2928711

Charge code: 0292 8711 0008

The Registrar of Companies for England and Wales hereby certifies that a charge dated 12th October 2017 and created by A A HOMES AND HOUSING LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 18th October 2017 .

Given at Companies House, Cardiff on 20th October 2017

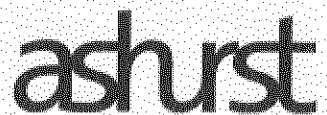
The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



**Companies House**



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES



EXECUTION VERSION

## Security Agreement

A A Homes and Housing Limited

as Chargor

and

Massachusetts Mutual Life Insurance Company

as Security Agent

12 October 2017

## CONTENTS

CLAUSE	PAGE
1. DEFINITIONS AND INTERPRETATION .....	1
2. COVENANT TO PAY .....	3
3. CHARGING CLAUSE .....	3
4. FURTHER ASSURANCE .....	4
5. REPRESENTATIONS .....	4
6. UNDERTAKINGS - GENERAL .....	7
7. CHARGED SHARES .....	7
8. SUBORDINATED DEBT AGREEMENTS AND SUBORDINATED DEBT .....	8
9. ATTORNEY .....	9
10. ENFORCEMENT .....	9
11. EXTENSION AND VARIATION OF STATUTORY POWERS .....	10
12. STATUS, POWERS, REMOVAL AND REMUNERATION OF RECEIVER .....	11
13. PROTECTION OF THIRD PARTIES .....	11
14. PROTECTION OF SECURITY AGENT AND RECEIVER .....	12
15. INDEMNITY .....	12
16. APPLICATION OF ENFORCEMENT PROCEEDS .....	13
17. PROTECTION OF SECURITY .....	13
18. COSTS AND EXPENSES .....	15
19. SET-OFF .....	15
20. NOTICES .....	16
21. CHANGES TO PARTIES .....	17
22. CURRENCY .....	17
23. MISCELLANEOUS .....	17
24. GOVERNING LAW AND JURISDICTION .....	18
SCHEDULE 1 .....	19
Charged Shares .....	19
SCHEDULE 2 .....	20
Subordinated Debt Agreements .....	20
SCHEDULE 3 .....	21
Form of notice to counterparties .....	21
Form of notice to counterparties of Subordinated Debt Documents .....	21

**THIS DEED** is made on 12 October 2017

**BETWEEN:**

- (1) **A A HOMES AND HOUSING LIMITED** (a company incorporated in England and Wales with registered number 02928711 (the "**Chargor**")); and
- (2) **MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY** as security trustee for the Secured Parties (the "**Security Agent**"), which expression shall include any person from time to time appointed as a successor, replacement or additional trustee in relation to the interests created by this deed).

**THE PARTIES AGREE AS FOLLOWS:**

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this deed:

**"Charged Property"** means the assets mortgaged, charged or assigned to the Security Agent by this deed;

**"Charged Share"** means any stock, share, debenture, loan stock or security and any other comparable investment (whether or not marketable) in each Subsidiary whether owned directly by or to the order of the Chargor or by any trustee, fiduciary or clearance system on its behalf (including all shares and other investment interests (if any) listed in schedule 1 (Charged Shares));

**"Default Basis"** means the rate at which interest is payable and the basis for determining payments due, as provided for in clause 8.3 (Default Interest) of the Facility Agreement;

**"Delegate"** means any delegate, agent, attorney or co-trustee appointed by the Security Agent;

**"Event of Default"** means an Event of Default under the Facility Agreement;

**"Facility Agreement"** means the Facility Agreement made between (among others) A A Homes and Housing (Croydon) Property Limited as Obligors' Agent, the Borrowers as set out in Schedule 1 therein and Massachusetts Mutual Life Insurance company as Agent and Security Agent and others dated on or about the date of this deed;

**"Finance Documents"** means the Finance Documents as defined in the Facility Agreement;

**"Finance Parties"** means the Finance Parties as defined in the Facility Agreement;

**"Lenders"** means the Lenders as defined in the Facility Agreement;

**"Obligors"** means the Obligors as defined in the Facility Agreement;

**"Obligors' Agent"** means the Obligors' Agent under the Facility Agreement;

**"Receiver"** means a receiver or receiver and manager in each case appointed under this deed;

**"Related Rights"** means, in relation to any asset:

- (a) the proceeds of sale of that asset or any part of that asset;
- (b) all dividends, distributions, interest and/or other income paid or payable in relation to that asset (including on any Charged Shares), together with all shares or other property derived from that asset and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that asset (whether by way of conversion, redemption, bonus, preference, option or otherwise);
- (c) any monies and proceeds paid or payable in relation to that asset;
- (d) the benefit of all other rights, powers, claims, consents, contracts, warranties, security, guarantees, indemnities or covenants for title in respect of that asset,

**"Secured Liabilities"** means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Transaction Obligor to any Secured Party under each Finance Document;

**"Secured Parties"** means the Finance Parties and any person who accedes to the Facility Agreement as a Finance Party and any Receiver or Delegate;

**"Subordinated Debt"** means each and every sum or other indebtedness owed or payable from time to time to the Chargor by any Obligor (whether documented or undocumented) that is subordinated to the Secured Liabilities pursuant to a Subordination Agreement;

**"Subordinated Debt Agreements"** means any loan agreement (whether documented or undocumented) relating to Subordinated Debt including those Subordinated Debt Agreements (if any) listed in schedule 2 (Subordinated Debt Agreements); and

**"Subordination Agreement"** means the subordination agreement dated on or about the same date as this deed between (amongst others) the Chargor and the Security Agent; and

**"Subsidiary"** means each company listed as a "Subsidiary" in schedule 1 (Charged Shares).

## **Construction**

- (a) In this deed, unless a contrary intention appears, a reference to:
  - (i) words and expressions defined in the Facility Agreement have the same meanings when used in this deed unless otherwise defined in this deed;
  - (ii) the principles of construction contained in clause 0 (Construction) of the Facility Agreement apply equally to the construction of this deed, except that references to the Facility Agreement will be construed as references to this deed;
  - (iii) the **"Chargor"**, any **"Security Agent"**, any **"Secured Party"** or any other person shall be construed so as to include its successors in title, permitted assignees and permitted transferees to, or of, its rights and/or obligations under the Finance Documents and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents or as a successor, replacement or additional trustee in relation to the interests created by this deed, in accordance with the Finance Documents;

- (iv) a "**Finance Document**" or any other agreement or instrument is a reference to that agreement or instrument as amended, novated, supplemented, extended, restated or replaced;
  - (v) "**including**" means including without limitation and "**includes**" and "**included**" shall be construed accordingly;
  - (vi) "**losses**" includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities and "**loss**" shall be construed accordingly;
  - (vii) any clause or schedule is a reference to, respectively, a clause of and schedule to this deed and any reference to this deed includes its schedules.
- (b) Section, clause and schedule heading are for ease of reference only.
  - (c) The parties intend that this document shall take effect as a deed, notwithstanding the fact that a party may only execute it under hand.

## 1.2 **Third Party Rights**

- (a) Any Receiver or Delegate will have the right to enforce the provisions of this deed which are given in its favour however the consent of a Receiver or Delegate is not required for the rescission or variation of this deed.
- (b) Subject to paragraph (a), a person who is not a party to this deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this deed.

## 2. **COVENANT TO PAY**

The Chargor as primary obligor covenants with the Security Agent (for the benefit of itself and the other Secured Parties) that it will on demand pay the Secured Liabilities when they fall due for payment.

## 3. **CHARGING CLAUSE**

### 3.1 **Fixed Charges**

The Chargor, as security for the payment and discharge of the Secured Liabilities, charges in favour of the Security Agent with full title guarantee all of its right, title and interest in the following assets, both present and future, from time to time owned by it or in which it has an interest and, in each case, all Related Rights by way of first fixed charge:

- (a) all Charged Shares; and
- (b) to the extent not effectively assigned by clause 3.2 (Security Assignment), the Subordinated Debt and any Subordinated Debt Agreements.

### 3.2 **Security Assignment**

As further security for the payment and discharge of the Secured Liabilities, the Chargor assigns absolutely with full title guarantee in favour of the Security Agent all its right, title and interest in the Subordinated Debt and Subordinated Debt Agreements both present and future, and in each case, all Related Rights, provided that on payment or discharge in full of the Secured Liabilities the Security Agent will at the written request and cost of the Chargor re-assign, without any representation or warranty, the relevant rights, title and interest in the assigned assets to the Chargor (or as it shall direct).



### 3.3 Fixed Security

Clause 3.1 (Fixed Charges) and clause 3.2 (Security Assignment) shall be construed as creating a separate and distinct fixed charge or security assignment over each relevant asset within any particular class of assets specified in this deed. Any failure to create effective fixed security (for whatever reason) over an asset shall not affect the fixed nature of the security on any other asset, whether within the same class of assets or not.

## 4. FURTHER ASSURANCE

- (a) The Chargor shall promptly (and at its own expense) do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may specify (and in such form as the Security Agent may require in favour of the Security Agent or its nominee(s)) at any time, including upon the acquisition of any Property:
  - (i) to perfect and/or protect the Security created or intended to be created under or evidenced by this deed or pursuant to it or for the exercise of any rights, powers and remedies of the Security Agent, any Receiver or the Secured Parties provided by or pursuant to this deed or by law;
  - (ii) to confer on the Security Agent or on the Secured Parties Security equivalent to that granted pursuant to this deed over any future Charged Shares, Subordinated Debt or Subordinated Debt Agreements, acquired or coming into existence after the date hereof; and/or
  - (iii) to facilitate the realisation of the assets and/or enforcement over the assets which are, or are intended to be, the subject of the Security created by this deed.
- (b) The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Secured Parties by or pursuant to this deed.

## 5. REPRESENTATIONS

The Chargor represents and warrants to the Security Agent as set out in clause 5.1 to clause **Error! Reference source not found.** (inclusive) on the date of this deed and on each day on which a Repeating Representation (under the Facility Agreement) is repeated or deemed to be repeated.

### 5.1 Charged Shares

- (a) It is the sole legal and beneficial owner of the Charged Shares.
- (b) All of the Charged Shares are fully paid and are not subject to any option to purchase or similar rights and constitute all the share capital of the relevant Subsidiaries.
- (c) The constitutional documents of each Subsidiary do not and could not restrict or inhibit any transfer of those shares on creation or on enforcement of the Security and there are no other restrictions contained in any other agreements relating to such Charged Shares.

### 5.2 Subordinated Debt

- (a) It is the sole legal and beneficial owner of the Subordinated Debt in respect of which it is a creditor.

- (b) The Subordinated Debt Agreements are in full force and effect and have not been amended in any way (other than as permitted by the Subordination Agreement) and no party to any Subordinated Debt Agreement is in default thereunder.

### 5.3 **Status**

- (a) It is a limited liability corporation, duly incorporated and validly existing under the laws of England.
- (b) Each Subsidiary is a limited liability corporation, duly incorporated and validly existing under the laws of England.
- (c) It has the power to own its assets and to carry on its business as it is being conducted.

### 5.4 **Centre of Main Interests**

For the purposes of the Council of the European Union No 1346/2000 on Insolvency Proceedings (the "**regulation**") its "centre of main interests" (as that term is used in Article 3(1) of the Regulation) is in its jurisdiction of incorporation and it has no "establishment" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction.

### 5.5 **Binding Obligations**

The obligations expressed to be assumed by it in this deed are, legal, valid, binding and enforceable obligations.

### 5.6 **Non-Conflict with Other Obligations**

The entry into and performance by it of, and the transactions contemplated by, this deed and the granting of the Security pursuant to this deed does not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

### 5.7 **Power and Authority**

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this deed and the transactions contemplated herein.
- (b) No limit on its powers will be exceeded as a result of the granting of Security contemplated by this deed.

### 5.8 **Authorisations**

All Authorisations required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this deed;
- (b) to create the Security constituted by this deed and to ensure the validity of such Security; and

(c) to make this deed admissible in evidence in England,

have been obtained or effected and are in full force and effect except for any Authorisation referred to in clause 17.9 (No Filing or Stamp Taxes) of the Facility Agreement, which Authorisations will be promptly obtained or effected after the date of delivery of this deed.

#### **5.9 Governing law and enforcement**

Subject to the Legal Reservations:

- (a) the choice of English law as the governing law of this deed shall be recognised and enforced in its jurisdiction of incorporation; and
- (b) any judgment obtained in England in relation to this deed shall be recognised and enforced in its jurisdiction of incorporation.

#### **5.10 Deduction of Tax**

It is not required to make any deduction for or on account of Tax from any payment it may make under this deed.

#### **5.11 No Filing or Stamp Taxes**

Under the laws of its jurisdiction of incorporation or establishment it is not necessary that this deed be registered, filed or recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar Taxes or fees be paid on or in relation to this deed except registration of particulars of this deed at Companies House under the Companies Act 2006 and payment of associated fees which will be made and paid promptly after the date of this deed.

#### **5.12 Ranking**

The Security created by clauses 3.1 (Fixed Charges) and 3.2 (Security Assignment) of this deed constitutes a first priority security interest of the type described over the assets referred to and those assets are not subject to any prior or pari passu Security.

#### **5.13 PSC Register**

No "warning notice" or "restrictions notice" (both defined in paragraph 1(2) of Schedule 1B of the Companies Act 2006) has been issued to, and remains in effect in respect of, it.

#### **5.14 Insolvency**

No:

- (a) corporate action, legal proceeding or other procedure or step described in clause 22.7 (Insolvency Proceedings) of the Facility Agreement; or
- (b) creditors' process described in clause 22.8 (Creditors' Process) of the Facility Agreement,

has been taken or threatened in relation to it and none of the circumstances described in clause 22.6 (Insolvency) of the Facility Agreement apply to it.

#### **5.15 Litigation**

No litigation, arbitration, administrative proceedings or investigations of, or before, any court, arbitral body or agency which if adversely determined, are reasonably likely to have a Material Adverse Effect have been started threatened against it.

## **6. UNDERTAKINGS - GENERAL**

### **6.1 Duration of Undertakings**

All of the undertakings given in this deed are given from the date of this deed and until the Secured Liabilities have been irrevocably and unconditionally discharged in full.

### **6.2 Negative Pledge**

The Chargor will not create or agree to create or permit to subsist any Security or Quasi-Security over all or any part of the Charged Property.

### **6.3 Disposal Restrictions**

The Chargor will not enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to dispose of all or any part of the Charged Property except as permitted by and in accordance with the Facility Agreement or the Subordination Agreement.

### **6.4 Documents Relating to Charged Property**

- (a) Without prejudice to any specific requirements in this deed for the delivery of documents, the Chargor will deliver to the Security Agent all documents relating to the Charged Property which the Security Agent from time to time reasonably requires promptly upon request and in any event within two Business Days of request (or otherwise procure that any such documents are held to the order of the Security Agent on terms acceptable to the Security Agent).
- (b) The Security Agent may retain any document delivered to it under this deed for so long as any security constituted by this deed remains in force and, if for any reason it returns any document to the Chargor (or its nominee) before that time, it may by notice to the Chargor require that the relevant document be redelivered to it and the Chargor shall promptly comply (or procure compliance) with that notice.

## **7. CHARGED SHARES**

### **7.1 Voting and Distribution Rights**

- (a) Subject to the terms of the Finance Documents, provided that no Event of Default is continuing, the Chargor may:
  - (i) receive and retain all dividends, distributions and other monies paid on or derived from the Charged Shares; and
  - (ii) exercise all voting and other rights and powers attaching to the Charged Shares provided that it may not exercise any such voting or other rights or powers in a manner which is inconsistent with any Finance Document or which may be prejudicial to the value of the Security granted by or pursuant to this deed or the realisation of any such Security.
- (b) Whilst an Event of Default is continuing:
  - (i) the Security Agent shall be entitled to receive and retain all dividends, distributions and other monies paid on or derived from the Charged Shares. To the extent that any, dividends, distributions or other monies in relation to

the Charged Shares are received by the Chargor, the Chargor will hold the same on trust for the Security Agent and shall promptly pay the same to an account designated by the Security Agent, which shall absent any further designation be the [Deposit Account]; and

- (ii) the Security Agent may (in its sole discretion) directly or indirectly (by instruction to the legal owner of the relevant Charged Shares) exercise, refrain from exercising or disclaim any right to exercise any voting or other rights and powers attaching to the Charged Shares. Any exercise of such voting rights may only be for the purpose of preserving the value of the Security granted by or pursuant to this deed or facilitating the realisation of such Security. The Chargor will promptly comply with any such instruction given by the Security Agent in relation to the exercise of voting or other rights and powers. Any disclaimer of rights by the Security Agent will confer on the Chargor the authority to exercise the disclaimed right, as if an Event of Default was not continuing, in accordance with paragraph (a)(ii) above.
- (c) At any time when any Charged Shares are registered in the name of the Security Agent or its nominee, the Security Agent will not be under any duty to ensure that any dividends, distributions or other monies payable in respect of those Charged Shares are duly and promptly paid or received by it or its nominee, or to verify that the correct amounts are paid or received, or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of or in substitution for, any of those Charged Shares.

## **7.2 Perfection of Charged Shares Security**

The Chargor will promptly following the execution of this deed or (if later) acquisition of a Charged Share deposit with the Security Agent (or as it shall direct) all stock and share certificates and other documents of title relating to the Charged Shares in which it has an interest together with stock transfer forms executed in blank and left undated on the basis that the Security Agent shall be able to hold such documents of title and stock transfer forms until the Secured Liabilities have been irrevocably and unconditionally discharged in full and shall be entitled, at any time, following the occurrence of an Event of Default and for so long as it is continuing or if the Security Agent considers that the security constituted by this deed is in jeopardy to complete, under its power of attorney given by clause 9 (Attorney) below, the stock transfer forms on behalf of the Chargor in favour of itself or its nominee(s).

## **7.3 Person with significant control regime**

The Chargor shall promptly:

- (a) comply with all requests for information which are made under Part 21A and Schedule 1B of the Companies Act 2006 relating to any Charged Share; and
- (b) supply the Security Agent any warning or restriction notice (each as defined in Schedule 1B of the Companies Act 2006) Issued after the date of this deed relating to any Charged Share.

## **8. SUBORDINATED DEBT AGREEMENTS AND SUBORDINATED DEBT**

### **8.1 Proceeds of Subordinated Debt Agreements and Subordinated Debt**

The Chargor will, as agent for the Security Agent, collect all amounts payable to it under the Subordinated Debt Agreements and the Subordinated Debt and forthwith pay those



monies into such accounts (if any) as are required by the Facility Agreement and, pending that payment, hold those proceeds on trust for the Security Agent.

## **8.2 Perfection of Subordinated Debt Agreements and Subordinated Debt Security**

- (a) Other than in the circumstances described in paragraph (b) and (c), below, the Chargor will, promptly following execution of this deed (or, in respect of any Subordinated Debt Agreements entered into after the date of execution of this deed, promptly upon entry or designation or the advance of any Subordinated Debt, promptly after such entry, designation or advance):
  - (i) give notice (substantially in the form set out in the relevant part of schedule 3 (Forms of notice to counterparties) to the borrower in respect of any Subordinated Debt of the security created by or pursuant to this deed over its interest therein and provide evidence satisfactory to the Security Agent (acting reasonably) of the delivery of that notice, and
  - (ii) use reasonable endeavours to procure that any borrower promptly acknowledges that notice by countersigning a copy of it and delivering that copy to the Security Agent.

## **9. ATTORNEY**

- (a) The Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and each Delegate and any person nominated for the purpose by the Security Agent or any Receiver or any Delegate (in writing and signed by an officer of the Security Agent or Receiver or Delegate) as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, deliver and perfect any deed, agreement or other instrument and to do any act or thing:
  - (i) which the Chargor is required to do by the terms of any Finance Document; and/or
  - (ii) which is for the purpose of enabling the exercise of any rights or powers conferred on the Security Agent or any Receiver or Delegate by any Finance Document or by law,

and the Chargor covenants with the Security Agent and each Receiver and each Delegate (as relevant) to ratify and confirm all such acts or things made, done or executed by that attorney.

## **10. ENFORCEMENT**

### **10.1 Exercise of Enforcement Powers**

At any time after an Event of Default has occurred and is continuing:

- (a) the security created by or pursuant to this deed is immediately enforceable;
- (b) the Security Agent may enforce all or any part of the security and take possession of and hold, sell or otherwise dispose and/or deal with all or any part of the Charged Property; and
- (c) the Security Agent may exercise the power of sale and all other rights and powers conferred by this deed or by statute (as varied or extended by this deed) on the Security Agent or on a Receiver, irrespective of whether the Security Agent has taken possession or appointed a Receiver of the Charged Property.

## 10.2 Appointment of Receiver or Administrator

- (a) Subject to paragraph (d) and (e) below, if:
  - (i) an Event of Default has occurred and is continuing; or
  - (ii) so requested by the Chargor,the Security Agent may by writing under hand appoint any person (or persons) to be a Receiver of all or any part of the Charged Property.
- (b) Section 109(1) of the Law of Property Act 1925 shall not apply to this deed.
- (c) The Security Agent shall be entitled to appoint a Receiver save to the extent prohibited by section 72A of the Insolvency Act 1986
- (d) A Receiver may not be appointed solely by reason of the obtaining of a moratorium under section 1A of the Insolvency Act 1986 in relation to the Chargor, or anything done with a view to obtaining such a moratorium.

## 10.3 Appropriation

- (a) In this deed, **"financial collateral"** has the meaning given to that term in the Financial Collateral Arrangements (No. 2) Regulations 2003.
- (b) If:
  - (i) an Event of Default has occurred and is continuing, orthe Security Agent may appropriate all or part of the financial collateral in or towards satisfaction of the Secured Liabilities.
- (c) The Security Agent must attribute a value to the appropriated financial collateral in a commercially reasonable manner.
- (d) Where the Security Agent exercises its rights of appropriation and the value of the financial collateral appropriated differs from the amount of the Secured Liabilities, as the case may be, either:
  - (i) the Security Agent must account to the Chargor for the amount by which the value of the appropriated financial collateral exceeds the Secured Liabilities; or
  - (ii) the Chargor will remain liable to the Secured Parties for any amount whereby the value of the appropriated financial collateral is less than the Secured Liabilities.

## 11. EXTENSION AND VARIATION OF STATUTORY POWERS

### 11.1 Statutory Powers

The powers conferred on mortgagees, receivers or administrative receivers by statute shall apply to the security created by this deed (to the extent possible), unless they are expressly or impliedly excluded. If there is ambiguity or conflict between the powers conferred by statute and those contained in this deed, those contained in this deed shall prevail.

## **11.2 Section 101 LPA Powers**

The power of sale and other powers conferred by section 101 of the Law of Property Act 1925 shall arise on the date of this deed and for that purpose the Secured Liabilities are deemed to have fallen due on the date of this deed.

## **11.3 Restrictions Disapplied**

The restrictions on the consolidation of mortgages and on exercise of the power of sale imposed by sections 93 and 103 respectively of the Law of Property Act 1925 shall not apply to the security constituted by this deed.

## **12. STATUS, POWERS, REMOVAL AND REMUNERATION OF RECEIVER**

### **12.1 Receiver as Agent**

Each Receiver shall be the agent of the Chargor which shall be solely responsible for his or her acts or defaults, and for his or her remuneration and expenses, and be liable on any agreements or engagements made or entered into by him or her. The Security Agent will not be responsible for any misconduct, negligence or default of a Receiver.

### **12.2 Powers of Receiver**

Each Receiver appointed under this deed shall have all the powers conferred from time to time on receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (each of which is deemed incorporated in this deed), so that the powers set out in schedule 1 to the Insolvency Act 1986 (to the extent possible) shall extend to every Receiver, whether or not an administrative receiver.

### **12.3 Removal of Receiver**

The Security Agent may by notice remove from time to time any Receiver appointed by it and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated, for whatever reason.

### **12.4 Remuneration of Receiver**

The Security Agent may from time to time fix the remuneration of any Receiver appointed by it. Sections 109(6) and (8) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this deed.

### **12.5 Several Receivers**

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this deed (unless the document appointing such Receiver states otherwise).

## **13. PROTECTION OF THIRD PARTIES**

### **13.1 No Obligation to Enquire**

No purchaser from, or other person dealing with, the Security Agent, any Receiver or Delegate shall be obliged or concerned to enquire whether:

- (a) the right of the Security Agent or any Receiver to exercise any of the powers conferred by this deed has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power; or



- (b) any of the Secured Liabilities remain outstanding or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters.

### **13.2 Receipt Conclusive**

The receipt of the Security Agent or any Receiver shall be an absolute and a conclusive discharge to a purchaser, and shall relieve him of any obligation to see to the application of any moneys or other consideration paid to or by the direction of the Security Agent or any Receiver.

## **14. PROTECTION OF SECURITY AGENT AND RECEIVER**

### **14.1 Role of Security Agent**

The provisions set out in clause 25 (Role of the Agent, the Security Agent, the Arrangers) of the Facility Agreement, shall govern the rights, duties and obligations of the Security Agent under this deed.

### **14.2 No Liability**

Neither the Security Agent nor any Receiver or Delegate shall be liable in respect of any of the Charged Property or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless caused by its or his or her gross negligence or wilful default.

### **14.3 Possession of Charged Property**

Without prejudice to clause 14.2 (No Liability), if the Security Agent or any Receiver or Delegate enters into possession of the Charged Property, it will not be liable to account as mortgagee in possession and may at any time at its discretion go out of such possession.

## **15. INDEMNITY**

15.1 The Chargor shall promptly indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of:

- (a) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
- (b) the taking, holding, protection or enforcement of the Security constituted by this deed;
- (c) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Security Agent and each Receiver and Delegate by this deed or by law;
- (d) any default by the Chargor in the performance of any of the obligations expressed to be assumed by it in this deed;
- (e) instructing lawyers, accountants, tax advisors, surveyors or other professional advisers or experts as permitted under the Finance Documents; or
- (f) acting as Security Agent, Receiver, or Delegate (otherwise, in each case, than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct).

15.2 The Chargor expressly acknowledges and agrees that the continuation of its indemnity obligations under this clause 15 will not be prejudiced by any release of security or disposal of any Charged Property.

15.3 The Security Agent and every Receiver and Delegate may, in priority to any payment to the other Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 15.

## **16. APPLICATION OF ENFORCEMENT PROCEEDS**

### **16.1 Order of Application**

All proceeds of enforcement (whether cash or non-cash) received or recovered by the Security Agent or any Receiver pursuant to this deed shall (subject to the claims of any person having prior rights thereto) be applied in the order and manner specified by the Facility Agreement notwithstanding any purported appropriation by the Chargor.

### **16.2 Suspense Account**

- (a) Until the Secured Liabilities are paid in full, each Secured Party may place and keep (to the extent possible and for such time as it shall determine) any recoveries or other proceeds of enforcement (whether cash or non-cash) received pursuant to this deed or otherwise on account of the Chargor's liability in respect of the Secured Liabilities in an interest bearing separate suspense account, without having any obligation to apply all or any part of the same in or towards discharge of the Secured Liabilities.
- (b) If the security created by this deed is enforced at a time when no amount is due under the Finance Documents but at the time when amounts may or will become due, a Secured Party may pay any recoveries or other proceeds of enforcement into a suspense account.

## **17. PROTECTION OF SECURITY**

### **17.1 Continuing Security**

This security is to be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Secured Liabilities or any other matter or thing.

### **17.2 Other Security**

- (a) This security is to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other security or other right which the Security Agent or any other Secured Party may now or after the date of this deed hold for any of the Secured Liabilities.
- (b) This security may be enforced against the Chargor without first having recourse to any other rights of the Security Agent or any other Secured Party.

### **17.3 Cumulative Powers**

- (a) The powers which this deed confers on the Security Agent, the other Secured Parties and any Receiver appointed under this deed are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate.
- (b) The Security Agent, the other Secured Parties or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever.

- (c) The respective powers of the Security Agent, the other Secured Parties and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

#### **17.4 Amounts Avoided**

If any amount paid by the Chargor in respect of the Secured Liabilities is capable of being avoided or set aside on the liquidation or administration of the Chargor or otherwise, then for the purposes of this deed that amount shall not be considered to have been paid.

#### **17.5 Discharge Conditional**

If any discharge, release or arrangement (whether in respect of the obligations of the Chargor or other Transaction Obligor, or in respect of any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Chargor under this deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

#### **17.6 Waiver of Defences**

The obligations of the Chargor under this deed will not be affected by an act, omission, matter or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this deed (without limitation and whether or not known to it or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any person;
- (b) the release of any person under the terms of any composition or arrangement;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

#### **17.7 Non-competition**

Until all amounts which may be or become payable in respect of the Secured Liabilities have been irrevocably paid in full and unless the Security Agent in writing otherwise directs, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this deed or by reason of any amounts being payable, or liability arising under this deed:

- (a) to claim any right of indemnity or contribution in respect of any payment made or other satisfaction of the Chargor's liability under this deed;

- (b) to take the benefit (whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents; and/or
- (c) to claim or prove as a creditor of any Transaction Obligor in competition with any Secured Party.

The Chargor shall hold any benefit, payment or distribution received by it contrary to this clause 17.7 (Non-competition) on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with clause 15 (Application of Enforcement Proceeds).

#### **17.8 Subsequent Security - Ruling-off Accounts**

If the Security Agent or any other Secured Party receives notice of any subsequent Security or other interest affecting any of the Charged Property (except as permitted by the Facility Agreement) It may open a new account for the Chargor in its books. If it does not do so then (unless it gives express notice to the contrary to the Chargor), as from the time it receives that notice, all payments made by the Chargor to it shall (in the absence of any express appropriation to the contrary) be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities.

#### **17.9 Redemption of Prior Charges**

The Security Agent may, at any time after an Event of Default has occurred which is continuing, redeem any prior Security on or relating to any of the Charged Property or procure the transfer of that Security to itself, and may settle and pass the accounts of any person entitled to that prior Security. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor. The Chargor will on demand pay to the Security Agent all principal monies and interest and all losses incidental to any such redemption or transfer.

### **18. COSTS AND EXPENSES**

#### **18.1 Enforcement Expenses**

The Chargor shall, within three Business Days of demand, pay to each of the Security Agent, any Receiver and each other Secured Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under (and any documents referred to in) this deed and any proceedings instituted by or against the Security Agent and any Secured Party as a consequence of taking or holding the security created by this deed or enforcing these rights.

#### **18.2 Stamp Duties, etc.**

The Chargor shall pay and, within three Business Days of demand, indemnify each Secured Party against any cost, loss or liability that Secured Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of this deed.

#### **18.3 Default Interest**

Any amounts payable by the Chargor under this deed will, if not paid when due, carry interest determined on the Default Basis.

### **19. SET-OFF**

- (a) Any Secured Party may set off any matured obligation due from the Chargor under the Finance Documents (to the extent beneficially owned by that Secured Party)

against any obligation (whether matured or not) owed by that Secured Party to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

- (b) If the relevant obligation or liability of the Chargor is unliquidated or unascertained, the Secured Party may set-off the amount which it estimates (in good faith) will be the final amount of that obligation or liability once it becomes liquidated or ascertained.

## **20. NOTICES**

### **20.1 Communications in Writing**

Any communication made under or in connection with this deed shall be made in writing and, unless otherwise stated, may be made by fax or letter.

### **20.2 Addresses**

The address and fax number of each party to this deed for any communication or document to be made or delivered under or in connection with this deed is as shown immediately after its name on the execution pages of this deed or any substitute address or fax number as the party may notify to the Security Agent (the Security Agent may notify to the parties if a change is made by the Security Agent) by not less than five Business Days' notice.

### **20.3 Delivery**

- (a) Any communication or document made or delivered by one person to another under or in connection with this deed will only be effective:
  - (i) If by way of fax, when received in legible form; or
  - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post, postage prepaid in an envelope addressed to it at that address;

and if a particular department or officer is specified as part of its address details provided under clause 20.2 (Addresses), if addressed to that department or officer.

- (b) Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's signature below (or any substitute department or officers as the Security Agent shall specify for this purpose).
- (c) Any communication or document which becomes effective, in accordance with paragraphs (a) or (b) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

### **20.4 Electronic Communication**

- (a) Any communication to be made in connection with this deed, between any two parties may be made by electronic mail or other electronic means to the extent that those two parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if those two parties:



- (i) notify each other in writing of their electronic mail and/or any other information required to enable the sending and receipt of information by that means; and
  - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days; notice.
- (b) Any electronic communication between those two parties will be effective only when actually received in readable form and in the case of any electronic communication made by the Chargor to the Security Agent only if it is addressed in such a manner as the Security Agent shall specify for this purpose.
- (c) Any electronic communication which becomes effective, in accordance with paragraph (b) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

## **21. CHANGES TO PARTIES**

### **21.1 Assignment by the Security Agent**

The Security Agent may at any time assign or otherwise transfer all or any part of its rights under this deed in accordance with the Finance Documents.

### **21.2 Changes to Parties**

The Chargor authorises and agrees to changes to parties under clause 23 (Changes to Lenders) and clause 24 (Changes to the Transaction Obligors) of the Facility Agreement and authorises the Security Agent to execute on its behalf any document required to effect the necessary transfer of rights or obligations contemplated by those provisions.

## **22. CURRENCY**

### **22.1 Conversion**

All monies received or held by the Security Agent or any Receiver under this deed may be converted into any other currency which the Security Agent considers necessary to discharge any obligations and liabilities comprised in the Secured Liabilities in that other currency at the Security Agent's spot rate of exchange then prevailing for purchasing that other currency with the existing currency or otherwise at a market rate of exchange then prevailing.

### **22.2 No Discharge**

No payment to the Security Agent (whether under any judgment or court order or otherwise) shall discharge any obligation or liability in respect of which it was made unless and until the Security Agent has received payment in full in the currency in which the obligation or liability is payable or, if the currency of payment is not specified, was incurred. To the extent that the amount of any such payment shall on actual conversion into that currency fall short of that obligation or liability expressed in that currency, the Security Agent shall have a further separate cause of action in relation to the shortfall and shall be entitled to enforce the security constituted by this deed to recover that amount.

## **23. MISCELLANEOUS**

### **23.1 Certificates Conclusive**

A certificate or determination of the Security Agent as to the amount or rate under this deed is, in the absence of manifest error, conclusive evidence of the matter to which it relates.

### 23.2 **Invalidity of any Provision**

If any provision of this deed is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.

### 23.3 **Counterparts**

This deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this deed.

### 23.4 **Failure to Execute**

Failure by one or more parties ("**Non-Signatories**") to execute this deed on the date hereof will not invalidate the provisions of this deed as between the other parties who do execute this deed. Such Non-Signatories may execute this deed on a subsequent date and will thereupon become bound by its provisions.

### 23.5 **Covenant to Release**

Once all the Secured Liabilities have been paid in full and none of the Security Agent nor any Secured Party has any actual or contingent liability to advance further monies to, or incur liability on behalf of, any Obligor, the Security Agent and each Secured Party shall, at the written request and cost of the Chargor, and without representation or warranty, take any action which is necessary to release (or re-assign) the Charged Property from the security constituted by this deed.

## 24. **GOVERNING LAW AND JURISDICTION**

- (a) This deed and any non-contractual obligations, dispute, controversy, proceedings or claims of whatever nature arising out of or in any way relating to this deed or its formation shall be governed by and construed in accordance with English law.
- (b) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute regarding the existence, validity or termination of this deed or any non-contractual obligation arising out of or in connection with this deed) (a "**Dispute**").
- (c) The parties to this deed agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

**IN WITNESS** whereof this deed has been duly executed and delivered on the above date first above written.

## SCHEDULE 1

### Charged Shares

Subsidiary	Registration Number	Number and class of shares	Details of nominees (if any) holding legal title to shares
A A Homes and Housing (Premier) Limited	09353796	1	None
A A Homes and Housing (Metro Point) Limited	09535748	1	None
A A Homes and Housing (Exchange Court) Limited	09178660	1	None



## **SCHEDULE 2**

### **Subordinated Debt Agreements**

None at the date of this deed.

### SCHEDULE 3

#### Form of notice to counterparties

#### Form of notice to counterparties of Subordinated Debt Documents

To: **[insert name and address of counterparty]**

Dated: ●

Dear Sirs

**Re: [here identify the relevant Subordinated Debt Document] (the "Agreement")**

We notify you that **[insert name of Chargor]** (the "**Chargor**") has assigned to [Security Agent Name] (the "**Security Agent**") for the benefit of itself and certain other parties (the "**Secured Parties**") all its right, title and interest in the Agreement as security for certain obligations owed by the Chargor and others to the Secured Parties.

We further notify you that:

1. the Chargor may not amend or terminate the Agreement without the prior written consent of the Security Agent;
2. you may continue to deal with the Chargor in relation to the Agreement until you receive written notice to the contrary from the Security Agent. Thereafter, the Chargor will cease to have any right to deal with you in relation to the Agreement and therefore from that time you should deal only with the Security Agent;
3. you are authorised to disclose information in relation to the Agreement to the Security Agent on request;
4. after receipt of written notice in accordance with paragraph 2 above, you must pay all monies to which the Chargor is entitled under the Agreement direct to the Security Agent (and not to the Chargor) unless the Security Agent otherwise agrees in writing; and
5. the provisions of this notice may only be revoked with the written consent of the Security Agent.

Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to the Chargor) by way of confirmation that:

- (a) you agree to the terms set out in this notice and to act in accordance with its provisions;
- (b) you have not received notice that the Chargor has assigned or charged its rights under the Agreement to a third party or created any other interest (whether by way of security or otherwise) in the Agreement in favour of a third party; and
- (c) you have not claimed or exercised, nor do you have any outstanding right to claim or exercise against the Chargor any right of set-off, counter-claim or other right relating to the Agreement.

The provisions of this notice are governed by English law.

Yours faithfully

.....  
**Name:**

for and on behalf of

**[insert name of Chargor]**

**[On acknowledgement copy]**

To: [Security Agent Name], [Security Agent Address]

Copy to: **[insert name and address of Chargor]**

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (c) above.

.....  
**Name:**

for and on behalf of

**[insert name of Counterparty]**

**Dated:**

## SIGNATORIES TO SECURITY AGREEMENT

### Chargor

Executed as a deed by

**A A HOMES AND HOUSING LIMITED:**

)  
)  
)  
)

Signature of director

Name of director

Anwar Ansari

Signature of witness

Name of witness

FAIZA AMLANI

Address of witness

Occupation of witness

### Notice Details

Address: Coombe Farm, Oats Road, Croydon, London CR0 5HL

Attention: Dr Anwar Ansari

**THE SECURITY AGENT**

**MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY**

a Massachusetts corporation

By: BARINGS REAL ESTATE ADVISERS LLC  
Its Authorized Agent

By:

Name:

Title:

Address: C/o Barings Real Estate Advisers LLC, One Financial Plaza, Hartford, Connecticut  
06103, USA

Attention: Loan Servicing Head with a copy to: Barings Real Estate Advisers LLC, One Financial  
Plaza, Hartford, Connecticut 06103, USA (Attention: Legal Department)

Fax: