



Registration of a Charge

Company name: **WOKINGHAM HOUSING LIMITED**

Company number: **07685172**



X4JV2HEH

Received for Electronic Filing: **10/11/2015**

Details of Charge

Date of creation: **26/10/2015**

Charge code: **0768 5172 0001**

Persons entitled: **WBC (HOLDINGS) LIMITED**

Brief description: **LAND AT HILLSIDE PARK, WOKINGHAM & LAND AT EUSTACE CRESCENT, WOKINGHAM & LAND AT FOSTERS, WOKINGHAM FOR MORE DETAILS OF THE PROPERTY CHARGED PLEASE REFER TO THE INSTRUMENT**

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 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by:

SEAN O'CONNOR



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7685172

Charge code: 0768 5172 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th October 2015 and created by WOKINGHAM HOUSING LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 10th November 2015 .

Given at Companies House, Cardiff on 11th November 2015

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 [26 October] 2015

FACILITY AGREEMENT

LODDON HOMES LIMITED (BORROWER)

and

WBC (HOLDINGS) LIMITED (LENDER)

I hereby certify that this is a
true copy of the original.

Carole Pratt
WOKINGHAM BOROUGH COUNCIL
SOLICITOR

DATE 29/10/15

THIS AGREEMENT is dated 26 October 2015

PARTIES

- (1) LODDON HOMES LIMITED incorporated and registered in England and Wales with company number 08847846 whose registered office is situate at Council Offices, Shute End, Wokingham, Berkshire RG40 1BN ('**Borrower**')
- (2) WBC (HOLDINGS) LIMITED incorporated and registered in England and Wales with company number 08750878 whose registered office is situate at Council Offices, Shute End, Wokingham, Berkshire RG40 1BN ('**Lender**').
- (3) WOKINGHAM HOUSING LIMITED incorporated and registered in England and Wales with company number 07685172 whose registered office is at Civic Offices, Shute End, Wokingham, Berkshire RG40 1BN ('**Guarantor**').

BACKGROUND

- (A) The Lender has agreed to provide the Borrower with a secured term loan facility of £18,600,000 (Eighteen Million and Six-Hundred Thousand Pounds).
- (B) The Lender has also provided the property interests to the Borrower at nil cost on the basis that the residual land value in the Property is paid the Lender within 30 years and on the basis that no repayment needs to be made during the term if the Borrower is unable to finance the repayment.
- (C) The First Borrower and the Guarantor are registered proprietor of the Property as detailed in Schedule 2 or shall shortly become the registered proprietor.
- (D) This deed provides security which the Borrower and the Guarantor has agreed to give the Lender for the loan facilities made or to be made available pursuant to this deed

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

Definitions

The following definitions apply in this deed.

Availability Period: the period from and including the date of this deed to and including 1st August 2019.

Borrowed Money: any Indebtedness the Borrower owes as a result of:

- (a) borrowing or raising money (with or without security), including any premium and any capitalised interest on that money;
- (b) any bond, note, loan stock, debenture, commercial paper or similar instrument;
- (c) any acceptance credit facility or dematerialised equivalent, bill-discounting, note purchase or documentary credit facilities;
- (d) monies raised by selling, assigning or discounting receivables or other financial assets on terms that recourse may be had to the Borrower if those receivables or financial assets are not paid when due;
- (e) any deferred payment for assets or services acquired, other than trade credit that is given in the ordinary course of trading and which does not involve any deferred payment of any amount for more than 60 days;
- (f) any rental or hire charges under finance leases (whether for land, machinery, equipment or otherwise);
- (g) any counter-indemnity obligation in respect of any guarantee, bond, indemnity, standby letter of credit or other instrument issued by a third party in connection with the Borrower's performance of contracts;
- (h) any other transaction that has the commercial effect of borrowing (including any forward sale or purchase agreement and any liabilities which are not shown as borrowed money on the Borrower's balance sheet because they are contingent, conditional or otherwise);
- (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and when calculating the value of any derivative transaction, only the mark to market value shall be taken into account); and
- (j) any guarantee, counter-indemnity or other assurances against financial loss that the Borrower has given for any of the items referred to in paragraphs (a) to (i) of this definition incurred by any person.

When calculating Borrowed Money, no liability shall be taken into account more than once.

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

Certificate of Title: any report on or certificate of title relating to the Properties supplied to the Lender by the Borrower (or on its behalf)

Charged Property: all the assets, land, property and undertaking for the time being subject to any Security created by this deed including but not limited to the Property (and references to the Charged Property shall include references to any part of it).

Delegate: any person appointed by the Lender or any Receiver under clause 26 and any person appointed as attorney of the Lender, Receiver or Delegate

Disposal: the sale transfer or leasing of the Property (whether in whole or part) where such Disposal grants Title to a third party.

Environment: the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.

Environmental Law: all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Charged Property

Environmental Licence: any authorisation, permit or licence necessary under Environmental Law in respect of any of the Charged Property

Event of Default: any event or circumstance listed in clause 21

Facility: the term loan facility made available under this deed.

Finance Document: this deed, the Legal Charges and any other document designated as such by the Lender and the Borrower

Guaranteed Sum: £200,000 (two hundred thousand pounds)

Indebtedness: any obligation to pay or repay money, present or future, whether actual or contingent, sole or joint and any guarantee or indemnity of any of those obligations.

Insurance Policy: each contract or policy of insurance effected and maintained by the Borrower and Guarantor from time to time in respect of the Property

Legal Charges: the charges to be entered into by the Lender and Borrower or Lender and Guarantor as security for the liabilities arising from this deed

Loan: the Facility the Indebtness and the Guaranteed Sum being the principal amount of the loan made or to be made by the Lender to the Borrower under this deed or (as the context requires) the principal amount outstanding for the time being of that loan and any subsequent advances pursuant to this deed.

LPA 1925: the Law of Property Act 1925

Potential Event of Default: any event or circumstance specified in clause 21 that would, on the giving of notice, expiry of any grace period or making

of any determination under this deed or satisfaction of any other condition (or any combination thereof), become an Event of Default.

Property: the freehold or leasehold property (whether registered or unregistered) owned by the Borrower and Guarantor described in Schedule 2

Receiver: a receiver or a receiver and manner of any or all of the Charged Property

Rent: all amounts payable to or for the benefit of the Borrower or Guarantor by way of rent, licence fee, service charge, dilapidations, ground rent and rent charge in respect of any part of the Property and other monies payable to or for the benefit of the Borrower or Guarantor in respect of occupation or usage of any part of the Property, including (without limitation) for display of advertisements on licence or otherwise.

Rent Account: the Borrower's or Guarantor's bank account which rental is paid.

Repayment Date: 1st August 2045 (30 years from the date hereof)

Secured Liabilities: all present and future monies, obligations and liabilities of the Borrower to the Lender, including the Loan whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with this deed (including, without limitation, those arising under clause 35.3(b)) together with all interest (including without limitation default interest) accruing in respect of those monies, obligations or liabilities

Security: any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

Security Period: the period starting on the date of this deed and ending on the date on which the Lender is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding

Sterling and £: the lawful currency of the UK.

Title: means either absolute freehold title or absolute leasehold title where the term of such leasehold title shall be greater than 99 years

Total Facility Amount: the maximum principal amount of the Facility referred to in clause 2.

Valuation: any valuation relating to the Property supplied to the Lender by the Borrower or Guarantor (or on its behalf)

VAT: valued added tax

1.2 Interpretation

In this deed:

- a) clause, Schedule and paragraph headings shall not affect the interpretation of this deed;
- b) a reference to a person shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees;
- c) unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- d) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- e) a reference to a party shall include that party's successors, permitted assigns and permitted transferees;
- f) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- g) a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- h) a reference to a time of day is to London time;
- i) a reference to writing or written does not include fax or e-mail;
- j) an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- k) a reference to this deed (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time;
- l) unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed and a reference to a paragraph is to a paragraph of the relevant Schedule;
- m) any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- n) a reference to a document in agreed form is to that document in the form agreed by the Lender and the Borrower and initialled by or on their behalf for identification;

- o) a reference to an amendment includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);
- p) a reference to assets includes present and future properties, undertakings, revenues, rights and benefits of every description;
- q) a reference to Borrower includes reference to the First Borrower and the Second Borrower and their liability in respect of this deed shall be joint and several in accordance with clause 1.4 hereof
- r) a reference to an authorisation includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- s) a reference to a certified copy of a document means a copy certified to be a true, complete and up-to-date copy of the original document, in writing and signed by a director or the secretary of the party delivering the document;
- t) a reference to continuing in relation to an Event of Default means an Event of Default that has not been waived;
- u) a reference to determines or determined means, unless the contrary is indicated, a determination made at the discretion of the person making it;
- v) a reference to a disposal of any asset, undertaking or business includes a sale, lease, licence, transfer, loan or other disposal by a person of that asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions); and
- w) a reference to a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.3 The Schedules forms part of this deed and shall have effect as if set out in full in the body of this deed. Any reference to this deed includes the Schedules.

1.4 The First Borrower and the Second Borrower shall be jointly and severally liable for their obligations under this deed and the Lender may take action against or release or compromise the liability of any one person comprising the Borrower without affecting the liability of any other of them.

2. THE FACILITY

- 2.1 The Lender grants to the Borrower the Facility being a secured Sterling term loan Facility of a total principal amount not exceeding £18,600,000.00 (Eighteen Million Six Hundred Thousand Pounds) on the terms, and subject to the conditions, of this deed. This part of the Facility shall be utilised solely for the purpose in clause 3.1 of this deed.
- 2.2 The Lender (or such nominee of the Lender) shall procure Title in the Property for the Borrower or the Guarantor in consideration of an Indebtedness obligation by the Borrower to pay the principal amount of £6,627,000.00 (SIX MILLION SIX HUNDRED AND TWENTY SEVEN THOUSAND POUNDS) to the Lender on the terms and, subject to the conditions, of this deed.
- 2.3 The Lender grants to the Borrower the Guaranteed Sum. The Guaranteed Sum shall be used solely for the purpose in clause 3.2 of this deed.
- 2.2 Where the Lender agrees to provide additional facilities in respect to development purposes other than those stated in clause 3 such facilities shall be provided to the Borrower on the same terms as this Facility Agreement mutatis mutandis and such facilities shall be effected by way of letter of variation to this agreement.

3. PURPOSE

- 3.1 The Borrower shall use that part of the Facility detailed in 2.1 for the development at Fosters and Eustace Crescent.
- 3.2 The Borrower shall use the Guaranteed Sum for working capital and revenue purposes.
- 3.3 The Lender is not obliged to monitor or verify how any amount advanced under this deed is used but the Borrower will on demand provide written evidence to the Lender of how such amounts have been allocated as required by the Conditions Precedent.

4. DRAWING

- 4.1 Subject to clause 5, the Borrower may utilise the Facility or Guaranteed Sum in a single amount on any Business Day during the Availability Period and may drawdown the Facility or Guaranteed Sum in one or more instalments.
- 4.2 Any instalments of Facility shall not exceed the development funding requirements in the following 3 months.

4.3 The Borrower shall give the Lender at least fourteen Business Day's prior notice of the date on which the Borrower wants to draw down the Loan specifying the amount of the proposed Loan, the Business Day on which it is to be made and the bank account to which payment is to be made. The amount of the Loan shall not exceed the Total Facility Amount.

4.4 Any notice given under clause 4.1 will be irrevocable.

4.5 Any amount of the Facility or Guaranteed Sum not drawn down during the Availability Period will automatically be cancelled at the end of the Availability Period.

5. CONDITIONS PRECEDENT

5.1 This clause 5 is inserted solely for the benefit of the Lender.

5.2 The Borrower may not give notice to draw the Loan unless the Lender has received all the documents and evidence specified in Schedule 1 in form and substance satisfactory to the Lender. The Lender shall notify the Borrower promptly upon being so satisfied.

5.3 The Lender's obligation to make the Loan is subject to the further conditions precedent that, on both the date of the notice to draw down the Loan and the proposed drawdown date of the Loan:

(a) the representations and warranties in clause 16 are true and correct in all material respects and will be true and correct in all material respects immediately after the Lender has made the proposed Loan; and

(b) no Event of Default or Potential Event of Default is continuing or would result from the proposed Loan.

5.4 The Lender shall be obligated to pay the Guaranteed Sum to the Borrower in the circumstances in clauses 21.5 to 21.9 have or in the reasonable opinion of the Lender or Borrower will occur or be inevitable to occur.

6. INTEREST

6.1 The Borrower shall pay no interest on the Facility in clause 2.1 or 2.2 and interest at ^{5.2%} 6% over base rate for the time being of NATWEST BANK PLC on the Guaranteed Sum.

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6.2 Interest shall accrue daily and shall be payable quarterly in arrear on the last Business Day of March, June, September and December in each year during the security Period

6.3 If the Borrower fails to make any payment due under this deed on the due date for payment, interest on the unpaid amount shall accrue daily, from the date of non-payment to the date of actual payment (both before and after judgment), at 7% above the base rate for the time being of NATWEST BANK PLC,

7. COSTS

7.1 The Borrower shall pay, on demand, all costs and expenses (together with any value added tax on them) that the Lender incurs in connection with the negotiation and preparation, execution, amendment, extension, alteration, preservation and enforcement of the Loan and/or this deed.

7.2 The Borrower shall pay any stamp, documentary and other similar duties and taxes to which the Finance Documents may be subject, or give rise and shall indemnify the Lender against any losses or liabilities that it may incur as a result of any delay or omission by the Borrower in paying any such duties or taxes.

8. REPAYMENT

8.1 The Borrower shall repay the Secured Liabilities to the Lender in full on the Repayment Date.

8.2 Subject to clause 8.4 the Borrower shall repay the Secured Liabilities to the Lender by way of instalments on the last Business Day of each year a sum of money equal to the Secured Liabilities divided by the number of full years remaining until the Repayment Date.

8.3 The Borrower shall be permitted to repay the Secured Liabilities (whether in whole or part) to the Lender at any time prior to the Repayment Date.

8.4 Where the annual sum payable in clause 8.3 results in an Event of Default or Potential Event of Default then such sum payable shall be reduced to a sum that does not result in an Event of Default.

8.5 The Borrower shall not be required to repay such part of the Facility lent under clause 2.1 provided that :

- (a) the Facility is only used for the purposes in clause 3.1; and
- (b) evidence of expenditure is provided to the Lender in accordance with clause 2.2 of Schedule 1; and
- (c) the Lender certifies in its reasonable opinion that the evidence of expenditure is satisfactory

then the Secured Liabilities shall be reduced by such sum equal to the part of the Facility expended.

- 8.6 In the occurrence of a Disposal the Borrower shall immediately pay the net proceeds of the Disposal to the Lender. The Borrower shall not pay proceeds where the Lender is satisfied that proceeds are required for the re-provision of affordable housing.

9. PAYMENTS

- 9.1 All payments made by the Borrower under this deed shall be in Sterling and in immediately available cleared funds to the Lender to such other account as the Lender may notify the Borrower.
- 9.2 If any payment becomes due on a day that is not a Business Day, the due date of such payment will be extended to the next succeeding Business Day, or, if that Business Day falls in the following calendar month, such due date shall be the immediately preceding Business Day.
- 9.3 All payments made by the Borrower under this deed shall be made in full, without set-off, counterclaim or condition, and free and clear of, and without any deduction or withholding, provided that, if the Borrower is required by law or regulation to make such deduction or withholding, it shall:
- (a) ensure that the deduction or withholding does not exceed the minimum amount legally required;
 - (b) pay to the relevant taxation or other authorities, as appropriate, the full amount of the deduction or withholding;
 - (c) furnish to the Lender, within the period for payment permitted by the relevant law, either:
 - (i) an official receipt of the relevant taxation authorities concerned on payment to them of amounts so deducted or withheld; or
 - (ii) if such receipts are not issued by the taxation authorities concerned on payment to them of amounts so deducted or

withheld, a certificate of deduction or equivalent evidence of the relevant deduction or withholding; and

- (d) pay to the Lender such additional amount as is necessary to ensure that the net full amount received by the Lender after the required deduction or withholding is equal to the amount that the Lender would have received had no such deduction or withholding been made.

10. CLAWBACK

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

11. NATURE OF SECURITY OVER REAL PROPERTY

A reference to this deed to a **charge or mortgage of or over the Property** includes:

- (a) All buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) and fixed plant and machinery that are situated on or from part of the Property at any time;
- (b) The proceeds of the sale of any part of the Property and any other monies paid or payable in respect of or in connection with the Property;
- (c) The benefit of any covenants for title given, or entered into, by any predecessor in title of the Borrower in respect of the Property and any monies paid or payable in respect of these covenants; and
- (d) All rights under any licence, agreement for sale or agreement for lease in respect of the Property.

12. PERPETUITY PERIOD

If the rule against perpetuities applies to any trust created by this deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

13. GRANT OF SECURITY

13.1 As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower and the Guarantor with full title guarantee charges to the Lender:

- (a) By way of first legal mortgage, the Property; and
- (b) By way of first fixed charge:
 - (i) All its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy, the Rent and the benefit of any guarantee or security in respect of the Rent.
 - (ii) The benefit of all other contracts, guarantees, appointments and warranties relating to the Charged Property and other documents to which the Borrower or Guarantor is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of the Charged Property or otherwise relating to the Charged Property (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them); and
 - (iii) All authorisations (statutory or otherwise) held or required in connection with the Borrower's or Guarantor's business carried on at the Property or the use of any Charged Property, and all rights in connection with them; and
 - (iv) All monies from time to time standing to the credit of the Rent Account

13.2 As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower and Guarantor with full title guarantee assigns to the Lender absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:

- (a) All its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy; and

- (b) All its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy; and
- (c) The Rent and the benefit of any guarantee or security in respect of the Rent

Provided that nothing in this clause 13.2 shall constitute the Lender as mortgagee in possession

14. PERFECTION OF SECURITY

- 14.1 The Borrower and Guarantor consents to an application being made by the Lender to the Land Registrar for the following restriction in Form P to be registered against its title to the Property:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated 2015 in favour of WBC (Holdings) Limited referred to in the charges register or their conveyancer"

- 14.2 If the title to the Property is not registered at the Land Registry, the Borrower and Guarantor shall ensure that no person (other than itself) shall be registered under the Land Registration Act 2002 as the proprietor of all or any part of the Property, without the prior written consent of the Lender

- 14.3 Whether or not title to the Property is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against the Borrower's or Guarantor's title to the Property, they shall immediately provide the Lender with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this deed, they shall immediately, and at its own expense, take such steps as the Lender may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

15. LIABILITY OF THE BORROWER.

- 15.1 The Borrower's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- (a) any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- (b) the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- (c) any other act or omission that, but for this clause 15.1, might have discharged, or otherwise prejudiced or affected, the liability of the Borrower.

15.2 The Borrower waives any right it may have to require the Lender to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against the Borrower.

16 REPRESENTATIONS AND WARRANTIES

The Borrower and Guarantor represents and warrants to the Lender on the date of this deed and the representations and warranties contained in clause 16 are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of the repetition:

16.1 It:

(a) is a duly incorporated limited liability company validly existing under the laws of its jurisdiction of incorporation; and

(b) has the power to own its assets and carry on its business as it is being conducted.

16.2 (a) It has the power to enter into, deliver and perform, and has taken all necessary action to authorise its entry into, delivery and performance of, the Finance Documents and the transactions contemplated by them.

(b) No limit on its powers will be exceeded as a result of the borrowing or grant of security contemplated by the Finance Documents.

16.3 The entry into and performance by it of, and the transactions contemplated by, the Finance Documents, do not and will not contravene or conflict with:

- (a) its constitutional documents;
 - (b) any agreement or instrument binding on it or its assets or constitute a default or termination event (however described) under any such agreement or instrument; or
 - (c) any law or regulation or judicial or official order, applicable to it.
- 16.4 It has obtained all required and desirable authorisations to enable it to enter into, exercise its rights and comply with its obligations in the Finance Documents and to make them admissible in evidence in its jurisdiction of incorporation. All such authorisations are in full force and effect.
- 16.5 The Borrower is or is in the process of being a registered provider of social housing regulated by the Homes and Community Agency.
- 16.6 It is not necessary to file, record or enroll any Finance Document (other than the registration of the Security Document under the Companies Act 2006 and, in the case of real property registration at HM Land Registry) with any court or other authority or pay any stamp, registration or similar taxes relating to this agreement or the transactions contemplated by this deed.
- 16.7 No Event of Default or Potential Event of Default has occurred or is continuing, or is reasonably likely to result from making the Loan or the entry into, the performance of, or any transaction contemplated by this deed.
- 16.8 No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination thereof, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on the Borrower or to which any of its assets is subject which has or is reasonably likely to have a material adverse effect on its business, assets or condition or ability to perform its obligations under this deed.
- 16.9 No litigation, arbitration or administrative proceedings are taking place, pending or, to the Borrower's knowledge, threatened against it, any of its directors or any of its assets, which might reasonably be expected to have a material adverse effect on its business, assets or condition, or its ability to perform its obligations under this deed.
- 16.10 The Legal Charges create (or once entered into, will create):

- (a) valid, legally binding and enforceable Security for the obligations expressed to be secured by it; and
- (b) subject to registration under section 859A of the Companies Act 2006 and, in the case of real property registration at HM Land Registry, perfected Security over the assets expressed to be subject to security in it,

in favour of the Lender, having the priority and ranking expressed to be created in the Security Document and ranking ahead of all (if any) Security and rights of third parties except those preferred by law.

- 16.11 The Borrower is the sole legal and beneficial owner of the Charged Property, and has good, valid and marketable title to the Property.
- 16.12 The Charged Property is free from any Security other than the Security created by this deed.
- 16.13 The Borrower has not received, or acknowledged notice of, any adverse claim by any person in respect of the Charged Property or any interest in it
- 16.14 There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever that materially and adversely affect the Charged Property.
- 16.15 There is no breach of any law or regulation that materially and adversely affects the Charged Property
- 16.16 No facility necessary for the enjoyment and use of the Charged Property is subject to terms entitling any person to terminate or curtail its use
- 16.17 Nothing has arisen, has been created or is subsisting that would be an overriding interest in the Property
- 16.18 There is no prohibition on the Borrower assigning its rights in any of the Charged Property referred to in clause 13.2 and the entry into of this deed by the Borrower does not and will not constitute a breach of any policy, agreement, document, instrument or obligation binding on the Borrower or its assets.
- 16.19 The Borrower has, at all times, complied in all respects with all applicable Environmental Law and Environmental Licences.

16.20 This deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Borrower and is and will continue to be effective security over all and every part of the Charged Property in accordance with its terms.

16.21 Each of the representations and warranties in this clause 16 is deemed to be repeated by the Borrower on:

(a) the date of the request to draw down the Loan; and

(b) the date that the Loan is actually drawn down.

by reference to the facts and circumstances existing on each such date.

17 COVENANTS

The Borrower and Guarantor covenants with the Lender that, as from the date of this deed until all its liabilities under this deed have been discharged:

17.1 It will deliver to the Lender:

(a) within 9 months after the end of each of its financial years, its audited accounts;

(b) within 30 days after the end of each month, its monthly management accounts;

(c) promptly, all notices or other documents dispatched by the Borrower to its shareholders (or any class of them) or to its creditors generally; and

(c) promptly such financial or other information as the Lender may, from time to time, request.

17.2 It will promptly, after becoming aware of them, notify the Lender of any litigation, arbitration or administrative proceedings or claim of the kind described in clause 16.9

17.3 It will promptly obtain all consents or authorisations necessary (and do all that is needed to maintain them in full force and effect) under any law or regulation to enable it to perform its obligations under this deed and to ensure the legality, validity, enforceability and admissibility in evidence of this deed in its jurisdiction of incorporation.

17.4 It will procure that any of its unsecured and unsubordinated obligations and liabilities under this deed rank, and will rank, at least *pari passu* in right and priority of payments with all its other unsecured and unsubordinated

obligations and liabilities, present or future, actual or contingent, except for those obligations and liabilities mandatorily preferred by law of general application to companies.

- 17.5 It will comply, in all respect, with all laws, if failure to do so has or is reasonably likely to have a material adverse effect on its business, assets or condition, or its ability to perform its obligations under this deed.
- 17.6 It will notify the Lender of any Potential Event of Default or Event of Default (and the steps, if any, being taken to remedy it) promptly on becoming aware of its occurrence.
- 17.7 It will carry on and conduct its business in a proper and efficient manner and will not make any change to the general nature or scope of its business as carried on at the date of this deed.
- 17.8 It will not:
- a) create, or permit to subsist, any Security on or over any of its Charged Property other than any Security created by this deed;
 - b) sell, transfer or otherwise dispose of any of its assets on terms whereby such assets are or may be leased to or re-acquired or acquired by it; or
 - c) sell, transfer or otherwise dispose of any of its receivables on recourse terms; or
 - d) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - e) enter into any other preferential arrangement having a similar effect,
- in circumstances where the arrangement or transaction is entered into primarily as a method of raising Borrowed Money or of financing the acquisition of an asset.
- 17.9 It will not sell, assign, lease, transfer or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, its assets other than:
- a) a Disposal;
 - b) trading stock in the ordinary course of its business;
 - c) assets exchanged for other assets comparable or superior as to type, value and quality

17.10 It shall not at any time, except with the prior written consent of the Lender:

- (a) create, purport to create or permit to subsist any Security on, or in relation to, any Charged Property other than any Security created by this deed;
- (b) sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Charged Property; or
- (c) create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party.

17.13 It shall not, without the Lender's prior written consent, use or permit the Charged Property to be used in any way contrary to law.

17.14 It shall:

- (i) comply with the requirements of any law or regulation relating to or affecting the Charged Property or the use of it or any part of it;
- (ii) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Charged Property or its use or that are necessary to preserve, maintain or renew any Charged Property; and
- (iii) promptly effect any maintenance, modifications, alterations or repairs to be effected on or in connection with the Charged Property that are required to be made by it under any law or regulation.

17.15 It shall use its best endeavours to:

- (a) procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with the Borrower and forming part of the Charged Property of the covenants and other obligations imposed on such counterparty; and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Property that the Lender may require from time to time.

- 17.16 It shall, promptly on becoming aware of any of the same, give the Lender notice in writing of:
- (a) any representation or warranty set out in this deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and
 - (b) any breach of any covenant set out in this deed.
- 17.17 It shall, on the execution of this deed, deposit with the Lender and the Lender shall, for the duration of this deed, be entitled to hold:
- (a) all deeds and documents of title relating to the Charged Property that are in the possession or control of the Borrower or Guarantor; and
 - (b) each Insurance Policy.
- 17.18 It shall immediately on the execution of this deed give notice to the relevant insurers of the assignment of its rights and interest in and under each Insurance Policy (including the proceeds of any claims under that Insurance Policy) under clause 3.2(a) and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Lender; and
- 17.19 It waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Borrower under this deed).

18 PROPERTY COVENANTS

- 18.1 (a) The Borrower and Guarantor shall keep all Property and fixtures and fittings on the Property, in:
- (i) good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use with others of a like nature and equal value; and
 - (ii) such repair and condition as to enable the Property to be let in accordance with all applicable laws and regulations.
- (b) For the purpose of clause 18.1(a)(ii), a law or regulation is applicable if it is either in force or it is expected to come into force and a prudent property owner in the same business as the Borrower would ensure that the

premises, and fixtures and fittings on the Property, were in such repair and condition in anticipation of that law or regulation coming into force.

18.2 (a) The Borrower or Guarantor shall not, without the prior written consent of the Lender:

(i) pull down or remove the whole or any part of any building forming part of the Property nor permit the same to occur; or

(ii) make or permit to be made any material alterations to the Property or sever or remove or permit to be severed or removed any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with clause 18.1).

(b) The Borrower or Guarantor shall promptly give notice to the Lender if the premises or fixtures or fittings forming part of the Property are destroyed or damaged.

18.3 The Borrower or Guarantor shall not, without the prior written consent of the Lender:

(a) make or, in so far as it is able, permit others to make any application for planning permission or development consent in respect of the Property; or

(b) carry out or permit or suffer to be carried out on the Property any development (as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008) or change or permit or suffer to be changed the use of the Property.

18.4 (a) The Borrower or Guarantor shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Charged Property against:

(i) loss or damage by fire or terrorist acts;

(ii) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Borrower; and

(iii) any other risk, perils and contingencies as the Lender may reasonably require.

(b) Any such insurance must be with an insurance company or underwriters and on such terms as are reasonably acceptable to the Lender and must be for not less than the replacement value of the relevant Charged Property (meaning in the case of any premises on the Property, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects', surveyors', engineers' and other professional fees and charges for demolition and reinstatement) and loss of rents payable by the tenants or other occupiers of the Property for a period of at least [three] years.

(c) The Borrower or Guarantor shall, if requested by the Lender, produce to the Lender each policy, certificate or cover note relating to any insurance required by clause 18.4(a) (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as the Borrower is entitled to obtain from the landlord under the terms of the relevant lease).

(d) The Borrower or Guarantor shall, if requested by the Lender, procure that a note of the Lender's interest is endorsed upon each Insurance Policy maintained by it or any person on its behalf in accordance with clause 18.4(a).

18.5 The Borrower or Guarantor shall:

(a) promptly pay all premiums in respect of each Insurance Policy and do all other things necessary to keep that policy in full force and effect; and

(b) (if the Lender so requires) give to the Lender copies of the receipts for all premiums and other payments necessary for effecting and keeping up each Insurance Policy (or where, in the case of leasehold property, insurance is effected by the landlord, such evidence of the payment of premiums as the Borrower is entitled to obtain from the landlord under the terms of the relevant lease).

18.6 The Borrower or Guarantor shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any Insurance Policy.

18.7 All monies payable under any Insurance Policy at any time (whether or not the security constituted by this deed has become enforceable) shall:

(a) firstly be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received; or

(b) if they are not paid directly to the Lender by the insurers, be held, pending such payment, by the Borrower as trustee of the same for the benefit of the Lender and be paid immediately to the Lender as soon as possible.

18.8 The Borrower or Guarantor shall not, without the prior written consent of the Lender:

(a) grant any licence or tenancy affecting the whole or any part of the Property, or exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925 (or agree to grant any such licence or tenancy, or agree to exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925);

(b) in any other way dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Property (or agree to dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Property);

(c) let any person into occupation of or share occupation of the whole or any part of the Property; or

(d) grant any consent or licence under any lease or licence affecting the Property

PROVIDING that clause 18.8 (a) to (c) shall not apply in respect to a Disposal.

18.9 The Borrower or Guarantor shall not, without the prior written consent of the Lender, enter into any onerous or restrictive obligations affecting the whole or any part of the Property or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of the Property.

18.10 The Borrower and Guarantor shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of the Property, without the prior written consent of the Lender.

18.11 The Borrower and Guarantor shall:

(a) observe and perform all covenants, stipulations and conditions to which the Property, or the use of it, is or may be subject and (if the Lender so requires) produce to the Lender evidence sufficient to satisfy the Lender that those covenants, stipulations and conditions have been observed and performed; and

(b) diligently enforce all covenants, stipulations and conditions benefiting the Property and shall not (and shall not agree to) waive, release or vary any of the same.

18.12 The Borrower and Guarantor shall:

(a) where the Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and

(b) pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed upon the Property or on its occupier.

18.13 The Borrower and Guarantor shall permit the Lender and any Receiver and any person appointed by either of them to enter on and inspect the Property on reasonable prior notice.

19 RENT COVENANTS

19.1 The Borrower shall not deal with the Rent except by getting it in and realising it in the ordinary and usual course of its business and shall, immediately on receipt, pay all Rent into the Rent Account. The Borrower shall, pending that payment in to the Rent Account or other account, hold all Rent upon trust for the Lender.

19.2 The Borrower and Guarantor shall, promptly following the occurrence of an Event of Default, give notice to the relevant tenant, guarantor or surety of the assignment of the Borrower's rights and interest to the Rent and each guarantee or security in respect of the Rent and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Lender.

20 POWERS OF THE LENDER

- 20.1 (a) The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Borrower of any of its obligations contained in this deed.
- (b) The Borrower irrevocably authorises the Lender and its agents to do all things that are necessary or desirable for that purpose.
- (c) Any monies expended by the Lender in remedying a breach by the Borrower of its obligations contained in this deed shall be reimbursed by the Borrower to the Lender on a full indemnity basis and shall carry interest in accordance with clause 6.2.
- (d) In remedying any breach in accordance with this clause 20.1, the Lender, its agents and their respective officers, agents and employees shall be entitled to enter onto the Property and to take any action as the Lender may reasonably consider necessary or desirable including, without limitation, carrying out any repairs, other works or development.
- 20.2 The rights of the Lender under clause 20.1 are without prejudice to any other rights of the Lender under this deed. The exercise of any rights of the Lender under this deed shall not make the Lender liable to account as a mortgagee in possession.
- 20.3 To the extent permitted by law, any right, power or discretion conferred by this deed on a Receiver may, after the security constituted by this deed has become enforceable, be exercised by the Lender in relation to any of the Charged Property whether or not it has taken possession of any Charged Property and without first appointing a Receiver or notwithstanding the appointment of a Receiver.
- 20.4 (a) For the purpose of, or pending, the discharge of any of the Secured Liabilities, the Lender may convert any monies received, recovered or realised by it under this deed (including the proceeds of any previous conversion under this clause 20.4) from their existing currencies of denomination into any other currencies of denomination that the Lender may think fit.
- (b) Any such conversion shall be effected at the Lender's then prevailing spot selling rate of exchange for such other currency against the existing currency.
- (c) Each reference in this clause 20.4 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

- 20.5 The Lender may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this deed (whether or not any person is jointly liable with the Borrower) in respect of any of the Secured Liabilities or of any other security for them without prejudice either to this deed or to the liability of the Borrower for the Secured Liabilities.

21 EVENTS OF DEFAULT

Each of the events or circumstances set out in this clause 21 is an Event of Default.

- 21.1 The Borrower fails to pay any sum payable by it under this deed, unless its failure to pay is caused solely by an administrative error or technical problem and payment is made within three Business Days of its due date.
- 21.2 The Borrower fails (other than by failing to pay), to comply with any provision of any Finance Document and (if the Lender considers, acting reasonably, that the default is capable of remedy), such default is not remedied within 14 Business Days of the earlier of:
- a) the Lender notifying the Borrower of the default and the remedy required;
 - b) the Borrower becoming aware of the default.
- 21.3 Any representation, warranty or statement made, repeated or deemed made by the Borrower in, or pursuant to, this deed is (or proves to have been) incomplete, untrue, incorrect or misleading in any material respect when made, repeated or deemed made. Such shall not include any expressed as an estimation provided that where such estimation is materially incorrect then the Borrower provides the corrected representation, warranty or statement.
- 21.4 If:
- a) any Borrowed Money is not paid when due or within any originally applicable grace period; or
 - b) any Borrowed Money becomes due, or capable of being declared due and payable prior to its stated maturity by reason of an event of default (howsoever described);

- c) any commitment for Borrowed Money is cancelled or suspended by a creditor of the Borrower by reason of an event of default (howsoever described); or
 - d) any creditor of the Borrower becomes entitled to declare any Borrowed Money due and payable prior to its stated maturity by reason of an event of default (howsoever described).
- 21.5 The Borrower stops or suspends payment of any of its debts, or is unable to, or admits its inability to pay its debts as they fall due.
- 21.6 A moratorium is declared in respect of any Indebtedness of the Borrower.
- 21.7 Any action, proceedings, procedure or step is taken for:
 - (a) the suspension of payments, a moratorium of any Indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Borrower; or
 - (b) the composition, compromise, assignment or arrangement with any creditor; or
 - (c) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Borrower or any of its assets; or
 - (d) the enforcement of any Security over any assets of the Borrower.
- 21.8 The Borrower commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors with a view to rescheduling any of its Indebtedness (because of actual or anticipated financial difficulties).
- 21.9 Any event occurs in relation to the Borrower similar to those in clause 21.6 to clause 21.9 (inclusive) under the laws of any applicable jurisdiction.
- 21.10 Any provision of this deed is or becomes, for any reason, invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect.
- 21.11 The Borrower repudiates or evidences an intention to repudiate any Finance Document.

21.12 The Borrower suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a substantial part of its business.

21.13 Any event occurs (or circumstances exist) which, in the reasonable opinion of the Lender, has or is likely to materially and adversely affect the Borrower's ability to perform all or any of its obligations under, or otherwise comply with the terms of, any Finance Document.

21.14 At any time after an Event of Default has occurred which is continuing, the Lender may, by notice to the Borrower:

- a) cancel all outstanding obligations of the Lender under this deed whereupon they shall immediately be cancelled; and
- b) declare that the Loan (and all accrued interest and all other amounts outstanding under the Finance Documents) is immediately due and payable, whereupon they shall become immediately due and payable; and
- c) declare that the Loan be payable on demand, whereupon it shall become immediately payable on demand by the Lender; and
- d) declare the Security Document to be enforceable.

22 WHEN SECURITY BECOMES ENFORCEABLE

22.1 The security constituted by this deed shall be immediately enforceable if an Event of Default occurs.

22.2 A Event of Default shall not be deemed to occur if the Borrower immediately draws down the Guaranteed Sum to remedy the actual or anticipated Event of Default.

22.3 After the security constituted by this deed has become enforceable, the Lender may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Charged Property.

23 ENFORCEMENT OF SECURITY

23.1 (a) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time

after the execution of this deed, but the Lender shall not exercise such power of sale or other powers until the security constituted by this deed has become enforceable under clause 23.1.

(b) Section 103 of the LPA 1925 does not apply to the security constituted by this deed.

23.2 The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Lender and any Receiver, at any time after the security constituted by this deed has become enforceable, whether in its own name or in that of the Borrower, to:

(a) grant a lease or agreement for lease;

(b) accept surrenders of leases; or

(c) grant any option in respect of the whole or any part of the Property with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Borrower and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Lender or Receiver thinks fit, without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

23.3 (a) At any time after the security constituted by this deed has become enforceable, or after any powers conferred by any Security having priority to this deed shall have become exercisable, the Lender may:

(i) redeem that or any other prior Security;

(ii) procure the transfer of that Security to itself; and

(iii) settle any account of the holder of any prior Security.

(b) The settlement of any such account shall be, in the absence of any manifest error, conclusive and binding on the Borrower. All monies paid by the Lender to an encumbrancer in settlement of such an account shall be, as from its payment by the Lender, due from the Borrower to the Lender on current account and shall bear interest and be secured as part of the Secured Liabilities.

- 23.4 No purchaser, mortgagee or other person dealing with the Lender, any Receiver or Delegate shall be concerned to enquire:
- (a) whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
 - (b) whether any power the Lender, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
 - (c) how any money paid to the Lender, any Receiver or any Delegate is to be applied.
- 23.5 Each Receiver and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.
- 23.6 Neither the Lender, any Receiver nor any Delegate shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Charged Property for which a mortgagee in possession might be liable as such.
- 23.7 If the Lender, any Receiver or Delegate enters into or takes possession of the Charged Property, it or he may at any time relinquish possession.
- 23.8 The receipt of the Lender or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Charged Property or in making any acquisition in the exercise of their respective powers, the Lender, every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

24 RECEIVERS

- 24.1 At any time after the security constituted by this deed has become enforceable, or at the request of the Borrower, the Lender may, without further notice, appoint by way of deed, or otherwise in writing, any one or more person or persons to be a Receiver of all or any part of the Charged Property.
- 24.2 The Lender may, without further notice (subject to section 45 of the Insolvency Act 1986), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

- 24.3 The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925 and the remuneration of the Receiver shall be a debt secured by this deed, to the extent not otherwise discharged.
- 24.4 The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.
- 24.5 The power to appoint a Receiver (whether conferred by this deed or by statute) shall be, and remain, exercisable by the Lender despite any prior appointment in respect of all or any part of the Charged Property.
- 24.6 Any Receiver appointed by the Lender under this deed shall be the agent of the Borrower and the Borrower shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Borrower goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lender.

25 POWERS OF RECEIVER

- 25.1 (a) Any Receiver appointed by the Lender under this deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 25.2 to clause 25.20.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.
- (c) Any exercise by a Receiver of any of the powers given by clause 26 may be on behalf of the Borrower, the directors of the Borrower or himself.
- 25.2 A Receiver may undertake or complete any works of repair, alteration, building or development on the Property and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

- 25.3 A Receiver may grant, or accept, surrenders of any leases or tenancies affecting the Property on any terms and subject to any conditions that he thinks fit.
- 25.4 A Receiver may provide services and employ, or engage, any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver may discharge any such person or any such person appointed by the Borrower.
- 25.5 A Receiver may exercise or revoke any VAT option to tax that he thinks fit.
- 25.6 A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Lender may prescribe or agree with him.
- 25.7 A Receiver may collect and get in the Charged Property or any part of it in respect of which he is appointed and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Charged Property with like rights.
- 25.8 A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Borrower carried out at the Property.
- 25.9 A Receiver may grant options and licences over all or any part of the Charged Property, grant any other interest or right over, sell, assign or lease (or concur in granting options and licences over all or any part of the Charged Property, granting any other interest or right over, selling, assigning or leasing) all or any of the Charged Property in respect of which he is appointed for such consideration and in such manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions that he thinks fit. A Receiver may promote, or concur in promoting, a company to purchase the Charged Property to be disposed of by him.
- 25.10 A Receiver may sever and sell separately any fixtures or fittings from the Property without the consent of the Borrower.
- 25.11 A Receiver may give valid receipts for all monies and execute all assurances and things that may be proper or desirable for realising any of the Charged Property.

- 25.12 A Receiver may make any arrangement, settlement or compromise between the Borrower and any other person that he may think expedient.
- 25.13 A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Charged Property that he thinks fit.
- 25.14 A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 29.2, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Borrower under this deed.
- 25.15 A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925 and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.
- 25.16 A Receiver may, for any of the purposes authorised by this clause 15, raise money by borrowing from the Lender (or from any other person) either unsecured or on the security of all or any of the Charged Property in respect of which he is appointed on any terms that he thinks fit (including, if the Lender consents, terms under which that Security ranks in priority to this deed).
- 25.17 A Receiver may redeem any prior Security and settle the accounts to which the Security relates. Any accounts so settled shall be, in the absence of any manifest error, conclusive and binding on the Borrower, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.
- 25.18 A Receiver may delegate his powers in accordance with this deed.
- 25.19 A Receiver may, in relation to any of the Charged Property, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Charged Property or any part of the Charged Property.
- 25.20 A Receiver may do any other acts and things:
- (a) that he may consider desirable or necessary for realising any of the Charged Property;

- (b) that he may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law; or
- (c) that he lawfully may or can do as agent for the Borrower.

26 DELEGATION

- 26.1 The Lender or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this deed (including the power of attorney granted under clause 31.1).
- 26.2 The Lender and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.
- 26.3 Neither the Lender nor any Receiver shall be in any way liable or responsible to the Borrower for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

27 APPLICATION OF PROCEEDS

- 27.1 All monies received by the Lender, a Receiver or a Delegate under this deed after the security constituted by this deed has become enforceable (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority:
 - (a) in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Lender (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this deed and of all remuneration due to any Receiver under or in connection with this deed;
 - (b) in or towards payment of or provision for the Secured Liabilities in any order and manner that the Lender determines; and
 - (c) in payment of the surplus (if any) to the Borrower or other person entitled to it.
- 27.2 Neither the Lender, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest

rather than principal or otherwise in any particular order between any of the Secured Liabilities.

27.3 All monies received by the Lender, a Receiver or a Delegate under this deed (other than sums received under any Insurance Policy that are not going to be applied in or towards discharge of the Secured Liabilities):

(a) may, at the discretion of the Lender, Receiver or Delegate, be credited to any suspense or securities realised account;

(b) shall bear interest, if any, at the rate agreed in writing between the Lender and the Borrower; and

(c) may be held in that account for so long as the Lender, Receiver or Delegate thinks fit.

28 COSTS AND INDEMNITY

28.1 The Borrower shall, within five Business Days of demand, pay to, or reimburse, the Lender and any Receiver, on a full indemnity basis, all reasonable costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Lender, any Receiver or any Delegate in connection with:

(a) this deed or the Charged Property;

(b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's, a Receiver's or a Delegate's rights under this deed; or

(c) taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding-up or administration of the Borrower) at the rate and in the manner specified in the Facility Agreement.

28.2 (a) The Borrower shall indemnify the Lender, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct,

indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

- (i) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Charged Property;
- (ii) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or
- (iii) any default or delay by the Borrower in performing any of its obligations under this deed.

(b) Any past or present employee or agent may enforce the terms of this clause 28.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

29 FURTHER ASSURANCE

The Borrower or Guarantor shall, at its own expense, take whatever action the Lender or any Receiver may reasonably require for:

- (a) creating, perfecting or protecting the security intended to be created by this deed;
- (b) facilitating the realisation of any of the Charged Property; or
- (c) facilitating the exercise of any right, power, authority or discretion exercisable by the Lender or any Receiver in respect of any of the Charged Property,

including, without limitation (if the Lender or Receiver thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Charged Property (whether to the Lender or to its nominee) and the giving of any notice, order or direction and the making of any registration.

30 POWER OF ATTORNEY

30.1 By way of security, the Borrower and Guarantor irrevocably appoints the Lender, every Receiver and every Delegate separately to be the attorney of the Borrower and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

- (a) they are required to execute and do under this deed; or
- (b) any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Lender, any Receiver or any Delegate.

30.2 The Borrower and Guarantor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 30.1.

31 RELEASE

Subject to clause 35.3, on the expiry of the Security Period (but not otherwise) and full repayment of the Secured Liabilities, the Lender shall, at the request and cost of the Borrower, take whatever action is necessary to:

- (a) release the Charged Property from the security constituted by this deed; and
- (b) reassign the Charged Property to the Borrower.

32 ASSIGNMENT AND TRANSFER

32.1 (a) At any time, without the consent of the Borrower, the Lender may assign or transfer any or all of its rights and obligations under this deed.

(b) The Lender may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Borrower, the Charged Property and this deed that the Lender considers appropriate.

32.2 The Borrower may not assign any of its rights, or transfer any of its rights or obligations, under this deed.

33 SET-OFF

33.1 The Lender may at any time set off any liability of the Borrower to the Lender against any liability of the Lender to the Borrower, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. If the liabilities to be set off are expressed in different currencies, the Lender may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lender of its rights under this clause 33.1 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

33.2 The Lender is not obliged to exercise its rights under clause 33.1. If, however, it does exercise those rights it must promptly notify the Borrower of the set-off that has been made.

34 AMENDMENTS, WAIVERS AND CONSENTS

34.1 No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

34.2 (a) A waiver of any right or remedy under this deed or by law, or any consent given under this deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

(b) A failure to exercise or a delay in exercising any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by the Lender shall be effective unless it is in writing.

34.3 The rights and remedies provided under this deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

35 FURTHER PROVISIONS

35.1 The security constituted by this deed shall be in addition to, and independent of, any other security or guarantee that the Lender may hold for any of the Secured Liabilities at any time. No prior security held by the Lender over the

whole or any part of the Charged Property shall merge in the security created by this deed.

35.2 The security constituted by this deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Lender discharges this deed in writing.

35.3 Any release, discharge or settlement between the Borrower and the Lender shall be deemed conditional on no payment or security received by the Lender in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded under any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

(a) the Lender or its nominee may retain this deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Charged Property, for any period that the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and

(b) the Lender may recover the value or amount of such security or payment from the Borrower subsequently as if the release, discharge or settlement had not occurred.

35.4 A certificate or determination by the Lender as to any amount for the time being due to it from the Borrower under this deed shall be, in the absence of any manifest error, conclusive evidence of the amount due.

35.5 The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this deed.

36 CALCULATIONS, ACCOUNTS AND CERTIFICATES

36.1 Any interest, commission or fee under this deed shall accrue on a day-to-day basis, calculated according to the number of actual days elapsed and a year of 365 days.

36.2 The Lender shall maintain accounts evidencing the amounts owed to it by the Borrower, in accordance with its usual practice. Entries in those accounts shall be prima facie evidence of the existence and amount of the Borrower's obligations as recorded in them.

- 36.3 If the Lender issues any certificate, determination or notification of a rate or any amount payable under this deed, it shall be (in the absence of manifest error) conclusive evidence of the matter to which it relates.

37 SEVERANCE

If any provision (or part of a provision) of any Finance Document is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of the Finance Documents.

38 COUNTERPARTS

- 38.1 Each Finance Document may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

- 38.2 No counterpart shall be effective until each party has executed at least one counterpart.

39 THIRD PARTY RIGHTS

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

40 NOTICES

- 40.1 Any notice or other communication given to a party under or in connection with, this deed shall be:

- a. in writing;
- b. delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax; and
- c. sent to:

- (i) the First Borrower at:

WOKINGHAM HOUSING LIMITED, CIVIC OFFICES, SHUTE
END, WOKINGHAM, RG40 1BN

(ii) the Second Borrower at:
LODDON HOMES LIMITED, COUNCIL OFFICES, SHUTE END,
WOKINGHAM, RG40 1BN

(iii) Lender at:
WBC (HOLDINGS) LIMITED, COUNCIL OFFICES, SHUTE END,
WOKINGHAM RG40 1BN

or to any other address as is notified in writing by one party to the other from
time to time.

40.2 Any notice or other communication that the Lender gives to the Borrower
under or in connection with, any Finance Document shall be deemed to have
been received:

40.2.1 if delivered by hand, at the time it is left at the relevant address;

40.2.2 if posted by pre-paid first-class post or other next working day delivery
service, on the second Business Day after posting.

40.2.3 A notice or other communication given as described in clause 40.2.1 on a day
that is not a Business Day, or after normal business hours, in the place it is
received, shall be deemed to have been received on the next Business Day.

40.3 Any notice or other communication given to the Lender shall be deemed to
have been received only on actual receipt.

41 GOVERNING LAW AND JURISDICTION

41.1 This deed and any dispute or claim arising out of or in connection with it or
its subject matter or formation (including non-contractual disputes or claims)
shall be governed by and construed in accordance with the law of England
and Wales.

41.2 Each party irrevocably agrees that, subject as provided below, the courts of
England and Wales shall have exclusive jurisdiction over any dispute or claim
that arises out of, or in connection with this deed or its subject matter or
formation (including non-contractual disputes or claims). Nothing in this
clause shall limit the right of the Lender to take proceedings against the
Borrower in any other court of competent jurisdiction, nor shall the taking of

proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

This document has been entered into as a deed and is delivered and takes effect on the date stated at the beginning of it.

Schedule 1 - Conditions precedent

1. CONDITIONS REQUIRED PRIOR TO FIRST DRAWDOWN OF THE FACILITY

- 1.1 A copy of the resolutions duly passed by the Borrower's and Guarantor's board of directors:
 - (a) approving the entry into, and terms of, and transactions contemplated by, this deed and resolving that the Borrower executes this deed;
 - (b) authorising a specified person or persons to execute this deed on its behalf, to give notices and take all other action in connection with this deed; and
 - (c) confirming that entry into this deed is in the commercial interests of the Borrower (stating the reasons for such conclusion).
- 1.2 This deed, duly executed by the Borrower and Guarantor.
- 1.3 Legal Charges duly executed by the Borrower and Guarantor
- 1.4 Completed form MR01.
- 1.5 A fully build specification and project plan documenting funding requirements against project milestones for development at Eustace Crescent and Fosters.

2. CONDITIONS REQUIRED PRIOR TO FURTHER DRAWDOWN OF FACILITY

- 2.1 A first registered legal charge over the property interests in Eustace Crescent and Fosters in Schedule 2.
- 2.2 Evidence of spend against deliverables and milestones for previous drawdowns of funding (such evidence to be in a form as required by the Lender)
- 2.3 Details of requirements of further drawdown against projected spend against projected milestones.

Schedule 2 – Property

- (1) Land at Hillside Park, Wokingham – Leasehold Title Number:
Registered Proprietor: Wokingham Housing Limited
- (2) Land at Hillside Park, Wokingham – Leasehold Title Number: BK460541
Registered Proprietor: Loddon Homes Limited
- (3) Eustace Crescent, Wokingham – Leasehold Title Number
Registered Proprietor: Wokingham Housing Limited
- (4) Eustace Crescent, Wokingham – Leasehold Title Number:
Registered Proprietor: Loddon Homes Limited
- (5) Fosters, Wokingham – Leasehold Title Number
Registered Proprietor: Wokingham Housing Limited
- (6) Fosters, Wokingham – Leasehold Title Number:
Registered Proprietor: Loddon Homes Limited

Executed as a Deed by WOKINGHAM)
HOUSING LIMITED acting by two Directors:)

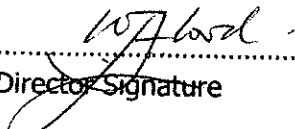
DAVID BRUCE CHIPPING

Director Name


Director Signature

WILLIAM JAMES FLOOD

Director Name


Director Signature

Executed as a Deed by LODDON HOMES)
LIMITED acting by two Directors:)

Director Name

GARY COWAN

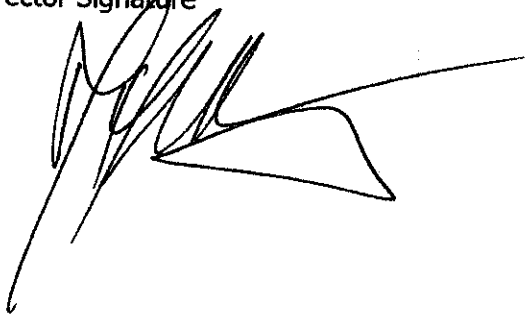
Director Signature


Director Signature

Director Name

DAVID BRUCE CHIPPING

Director Signature



Executed as a Deed by WBC (HOLDINGS))
LIMITED acting by two Directors:)

.....
Director Name

At Jorgensen
.....
Director Signature

.....
Director Name

[Signature]
.....
Director Signature

