



Registration of a Charge

Company name: **GROUND RENTS INCOME FUND PLC**

Company number: **08041022**



X8WQC0F7

Received for Electronic Filing: **15/01/2020**

Details of Charge

Date of creation: **09/01/2020**

Charge code: **0804 1022 0010**

Persons entitled: **SANTANDER UK PLC**

Brief description:

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: **GUNNERCOOKE LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8041022

Charge code: 0804 1022 0010

The Registrar of Companies for England and Wales hereby certifies that a charge dated 9th January 2020 and created by GROUND RENTS INCOME FUND PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 15th January 2020 .

Given at Companies House, Cardiff on 16th January 2020

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

SHARE CHARGE

This Deed is made on 9 January 2020

THIS IS AN IMPORTANT DOCUMENT. YOU SHOULD TAKE INDEPENDENT LEGAL ADVICE BEFORE SIGNING AND SIGN ONLY IF YOU WANT TO BE LEGALLY BOUND. IF YOU SIGN AND ANY MEMBER OF THE GROUP IS NOT PAID YOU MAY HAVE TO PAY INSTEAD OF THE PRINCIPAL.

Between

- (1) The person described in schedule 1 (Chargor); and
- (2) Santander UK plc as security trustee for each Group Member (Lender).

It is agreed

1 Definitions and interpretation

1.1 Definitions

In this Deed, unless the context otherwise requires:

Affiliate means in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

Charged Assets means all the assets of the Chargor described in clause 2.1 (*Fixed charge*) including any part thereof and any interest therein;

Collateral Instruments means instruments, guarantees, indemnities and other assurances against financial loss and any other documents which contain or evidence an obligation to pay or discharge any liabilities of any person;

Default Rate means the highest rate of interest referred to in the Finance Documents;

Event of Default means any event or circumstance specified as an event of default (howsoever described) in the Finance Documents;

Finance Documents means the documents governing the terms of the Secured Liabilities;

Group means Santander UK plc (registered number 2294747) and its Subsidiaries for the time being;

Group Member means each member of the Group;

Holding Company means in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary;

LPA means the Law of Property Act 1925;

Material Adverse Effect means a material adverse effect on:

- (a) the business, assets or financial condition of the Principal or the Chargor; and/or

- (b) the ability of the Principal or the Chargor to perform any of its obligations under the Finance Documents to which it is a party; and/or
- (c) the value or enforceability of the Security held by any Group Member in respect of the Secured Liabilities;

Party means a party to this Deed and includes its successors in title, permitted assigns and permitted transferees, whether immediate or derivative;

Permitted Security means:

- (a) any Security granted in favour of the Lender;
- (b) any Security permitted by the Lender in writing;

Principal means the persons described in schedule 2;

Related Rights means in respect of any Share:

- (a) all moneys paid or payable in respect of that Share (whether as income, capital or otherwise);
- (b) all shares, investments or other assets derived from that Share; and
- (c) all rights derived from or incidental to that Share;

Secured Liabilities means all moneys and liabilities now or hereafter due, owing or incurred by the Chargor or the Principal to the Group Members (or any of them) whether expressed or implied, present future or contingent; joint or several; incurred as principal or surety; originally owing to the Group Members (or any of them) or purchased or otherwise acquired by them or it; denominated in sterling or in any other currency; or incurred on any bank account or in any other manner whatsoever, together with interest (both before and after judgment) to the date of payment at such rates and on such terms as may from time to time be agreed, commission, fees and other charges and all legal and other costs, charges and expenses on a full and unqualified indemnity basis which may be incurred by the Group Members (or any of them) in relation to any such moneys or liabilities, the Charged Assets or generally in respect of the Chargor or the Principal;

Security means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

Security Period means the period from the date of this Deed until the Lender confirms in writing to the Chargor that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no Group Member has any continuing obligation to make facilities available to the Principal or the Chargor;

Shares means the shares described in schedule 3 and all other shares in the Principal for the time being held by the Chargor; and

Subsidiary means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.

1.2 Construction

- (a) Any reference in this Deed to:

- (i) **assets** includes present and future property, revenues and rights of every description;
- (ii) **clauses and schedules** are references to clauses and schedules of this Deed;
- (iii) **this Deed** or any other agreement or instrument is a reference to this Deed or that other agreement or instrument as the same may have been, or may from time to time be, amended, novated, replaced, restated, supplemented or varied provided that, where the consent of a Group Member is required pursuant to any Finance Document or otherwise to such amendment, novation, replacement, restatement, supplement or variation, such consent has been obtained;
- (iv) **Indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (v) **a guarantee** includes any guarantee, indemnity, counter indemnity or other assurance in respect of the indebtedness of any person;
- (vi) **a person** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing and includes its successors and (In the case of each Group Member only) its permitted assignees and transferees;
- (vii) **a reference to determines or determined** means a determination made in the absolute discretion of the person making the determination;
- (viii) **a provision of law** is a reference to that provision as amended or re-enacted.
- (b) Clause and schedule headings are for ease of reference only.
- (c) An Event of Default is **continuing** if it has not been:
 - (i) remedied to the satisfaction of the Group Member party to the Finance Document under the terms of which the Event of Default occurred; or
 - (ii) waived by it in writing.
- (d) Any grant of rights with full title guarantee shall be deemed to contain all of the covenants and warranties implied in respect of any conveyance with full title guarantee pursuant to section 1(2) of the Law of Property (Miscellaneous Provisions) Act 1994.
- (e) Words importing the plural shall include the singular and vice versa.
- (f) Words importing the masculine shall include the feminine.
- (g) Where the Principal comprises more than one person, references to the Principal shall be all of them and to each of them.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.
- (b) The consent of any person which is not a Party is not required to rescind or vary this Deed or any other agreement entered into under or in connection with it.

2 Charge

2.1 Fixed charge

The Chargor charges to the Lender (as security trustee for the Group Members), as a continuing security for the payment and discharge of the Secured Liabilities and by way of fixed charge, the Shares together with all Related Rights.

2.2 Priority

The charges created by this Deed:

- (a) rank as a first charge; and
- (b) are given with full title guarantee.

3 Undertakings

3.1 Duration

The undertakings in this clause 3 remain in force during the Security Period.

3.2 Negative Pledge

The Chargor shall not create or permit to subsist any Security over any of the Charged Assets other than Permitted Security.

3.3 Compliance with covenants

The Chargor will:

- (a) observe and perform all covenants, burdens, stipulations, requirements and obligations from time to time affecting the Charged Assets whether imposed by statute, contract, lease or otherwise where failure to do so has or is reasonably likely to have a Material Adverse Effect;
- (b) do all acts necessary to preserve its rights, title and interest in and to the Charged Assets; and
- (c) not, without the written prior consent of the Lender, enter into any onerous or restrictive obligations affecting any of the Charged Assets.

3.4 Information

The Chargor will produce to the Lender such documents or information relating to the Charged Assets as the Lender may from time to time reasonably request and promptly deliver

to the Lender a copy of any notice or proceedings served by any person on the Chargor and concerning the Charged Assets.

3.5 Jeopardy

The Chargor will not do, or cause or permit to be done, anything which may depreciate, jeopardise or otherwise prejudice the value of the Charged Assets without the prior written consent of the Lender.

3.6 Exercise of rights

(a) On the later of:

- (i) the date of this Deed; and
- (ii) the date of acquisition of those Shares or Related Rights

the Chargor shall:

- (A) deliver to the Lender all certificates of title and other documents of title or evidence of ownership in respect of the Shares and the Related Rights; and
 - (B) deliver to the Lender such transfer documents (with the transferee left blank) or any other documents as the Lender may require or otherwise request in respect of the Shares and Related Rights.
- (b) Until any steps are taken to enforce the Security created by or under this Deed, the Chargor shall be entitled to receive and retain all dividends, distributions and other moneys receivable in respect of the Shares and Related Rights.
- (c) The Chargor shall not exercise its voting and other rights in respect of the Shares and Related Rights in a manner which is likely to be prejudicial to the interests of the Lender.
- (d) The Chargor shall make all payments which may become due and payable in respect of any of the Shares and Related Rights. If it fails to make any such payments, the Lender may but shall not be obliged to make such payment on behalf of the Chargor. Any sums so paid by the Lender shall be repayable by the Chargor to the Lender on demand and pending such repayment shall constitute part of the Secured Liabilities.
- (e) The Chargor shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of the Shares and Related Rights and the Lender shall not be required to perform or fulfil any obligation of the Chargor in respect of the Shares or Related Rights.
- (f) The Chargor shall comply with any notice served on it under the Companies Act 1985 and/or the Companies Act 2006 or pursuant to any articles of association or other constitutional document in respect of or in connection with the Shares or Related Rights and will promptly provide to the Lender a copy of that notice.
- (g) Immediately on conversion of any of the Shares or Related Rights from a certificated to an uncertificated form and on the acquisition of any Shares or Related Rights in an uncertificated form, the Chargor shall give such instructions or directions and take

such other steps and enter into such documentation as the Lender may require in order to protect or preserve the Security Intended to be created by this Deed.

3.7 Restriction on dealing with Charged Assets

The Chargor will not without the prior written consent of the Lender, (whether by a single transaction or a series of related or unrelated transactions and whether at the same time or over a period of time) sell, transfer, lease or otherwise dispose of any of the Charged Assets or agree to do so.

3.8 Power to remedy

- (a) If the Chargor at any time defaults in complying with any of its obligations contained in this Deed, the Lender shall, without prejudice to any other rights arising as a consequence of such default, be entitled to make good such default and the Chargor irrevocably authorises the Lender and its employees and agents by way of security to do all such things necessary or desirable in connection with the same.
- (b) Any moneys so expended by the Lender shall be repayable by the Chargor to the Lender on demand together with interest at the Default Rate from the date of payment by the Lender until such repayment, both before and after judgment.

4 Further assurance

4.1 Further assurance

The Chargor shall, if and when required by the Lender execute such further Security and assurances in favour of the Lender and do all such acts and things as the Lender shall from time to time require over or in relation to all or any of the Charged Assets to secure the Secured Liabilities or to create, perfect, protect or maintain the security intended to be created by this Deed over the Charged Assets or any part thereof or to facilitate the realisation of the same.

4.2 Certain documentary requirements

Such further Security and assurances shall be prepared by or on behalf of the Lender, at the expense of the Chargor, and shall contain an immediate power of sale without notice, a clause excluding section 93 of the LPA, a clause excluding the restrictions contained in section 103 of the LPA and such other clauses for the benefit of the Group Members as the Lender may reasonably require.

5 Certain powers of the Lender

5.1 Powers on enforcement

At any time while an Event of Default is continuing, or if requested by the Chargor, the Lender may, without further notice, exercise all the powers conferred on mortgagees by the LPA, as varied or extended by this Deed.

5.2 Subsequent Security

- (a) If the Lender receives notice of any subsequent Security affecting the Charged Assets or any part thereof, the Lender may open a new account for the Chargor or the Principal.

- (b) If it does not open a new account then, unless the Lender gives express written notice to the contrary to the Chargor, it shall nevertheless be treated as if it had opened a new account at the time when it received such notice and as from that time all payments made to the Lender in respect of Secured Liabilities shall be credited or be treated as having been credited to the new account and shall not operate to reduce the Secured Liabilities outstanding at the time when it received such notice.

5.3 Contingencies

- (a) If the Lender enforces the security constituted by this Deed at a time when no amount in respect of the Secured Liabilities is due and payable, the Lender may pay the proceeds of any recoveries effected by it into a suspense account.
- (b) The Lender may (subject to the payment of any claims having priority to this security) withdraw amounts standing to the credit of such account for application as follows:
 - (i) paying all costs, charges and expenses incurred and payments made by the Lender in the course of such enforcement; and
 - (ii) paying amounts due and payable in respect of the Secured Liabilities as and when the same become due and payable.

5.4 Redemption of prior Security

If an Event of Default is continuing or if requested by the Chargor, the Lender may:

- (a) redeem any prior Security against any Charged Asset; and/or
- (b) procure the transfer of that Security to itself; and/or
- (c) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer and any accounts settled and passed will be conclusive and binding on the Chargor.

The Chargor shall pay on demand all principal moneys, interest, costs, charges and expenses in connection with any such redemption and/or transfer.

5.5 Other rights

- (a) If an Event of Default is continuing, the Chargor shall on request by the Lender:
 - (i) deliver to the Lender such pre-stamped stock transfer forms or other transfer documents as the Lender may require to enable the Lender or its nominee or nominees to be registered as the owner of, and to obtain legal and beneficial title to, the Shares and/or Related Rights referred to in such request;
 - (ii) provide to the Lender certified copies of all resolutions and authorisations approving the execution of such transfer forms and registration of such transfers as the Lender may reasonably require;
 - (iii) procure that each such transfer is promptly registered by the relevant company; and
 - (iv) procure that, immediately on their issue, all share certificates or other documents of title in the appropriate form, in respect of the Shares and/or

Related Rights, are delivered to the Lender in each case showing the registered holder as the Lender or its nominee or nominees (as applicable).

- (b) If an Event of Default is continuing, the Chargor shall exercise all voting rights in respect of the Shares and Related Rights only in accordance with the instructions of the Lender.
- (c) At any time while an Event of Default is continuing, the Lender may complete the transfer documents delivered to it under clause 3.6(a)(ii)(B) in favour of itself or such other person or nominee as it shall select.
- (d) At any time while an Event of Default is continuing, the Lender and its nominee or nominees may sell all or any of the Shares or Related Rights in any manner permitted by law and on such terms as the Lender shall in its absolute discretion determine.
- (e) At any time after steps have been taken to enforce the Security created by or under this Deed, if the Chargor receives any dividends, distributions or other moneys in respect of the Shares or the Related Rights, the Chargor shall immediately pay such sums received directly to the Lender for application in accordance with clause 6 and shall hold all such sums on trust for the Lender pending payment of them to such account as the Lender shall direct.

5.6 Power of sale and right of consolidation

Sections 93 and 103 of the LPA do not apply to the security constituted by this Deed.

6 Application of proceeds

All moneys received by the Lender shall be applied, after the discharge of all liabilities having priority to the Secured Liabilities, in or towards satisfaction of such of the Secured Liabilities and in such order as the Group Members may from time to time conclusively agree, except that the Lender may credit the same to a suspense account for so long and in such manner as the Lender may from time to time determine.

7 Protection of third parties

7.1 Deemed right to enforce

In favour of any purchaser (as defined in section 205 of the LPA) or person dealing in good faith, the Secured Liabilities shall be deemed to become due, and all rights of enforcement conferred on the Lender by the LPA, as varied and extended by this Deed, shall be deemed to arise, immediately after the execution of this Deed.

7.2 No enquiry required

No purchaser or other person dealing with the Lender shall be bound or concerned to enquire whether any power exercised or purported to be exercised under this Deed has become exercisable or whether any money is due on the security of this Deed or as to the propriety or regularity of any sale by, or other dealing with, the Lender or be concerned with notice to the contrary. Any such sale or dealing shall be deemed to be within the powers conferred by this Deed and to be valid and effectual accordingly.

8 Delegation

The Lender may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed. Any such delegation may be made on the terms (including power to sub-delegate) and subject to any regulations which the Lender may think fit. The Lender will not be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

9 Indemnities

9.1 Enforcement costs

The Chargor shall pay to the Lender on demand the amount of all costs and expenses (including legal fees, stamp duties and any value added tax) incurred by the Lender in connection with the enforcement, preservation or release of any rights under this Deed on a full indemnity basis.

9.2 Indemnity from Charged Assets

The Lender, any attorney, agent or other person appointed by the Lender under this Deed and the officers and employees of the Lender and any such attorney, agent or other person (each an **Indemnified Party**) shall be entitled to be indemnified out of the Charged Assets in respect of all costs and losses which may be incurred by, or made against, any of them (or by or against any manager, agent, officer or employee for whose liability, act or omission any of them may be answerable) at any time relating to or arising out of or as a consequence of:

- (a) anything done or omitted in the exercise, or purported exercise, of the powers contained in this Deed; or
- (b) any breach by the Chargor of any of its obligations under this Deed; or
- (c) any claim made or asserted against an Indemnified Party under any law which would not have arisen if this Deed had not been executed and which was not caused by the gross negligence or wilful default of the relevant Indemnified Party.

10 Power of attorney

10.1 Power of attorney

The Chargor, by way of security irrevocably appoints each of the Lender and their respective delegates severally to be its attorney in its name and on its behalf:

- (a) to execute and complete any documents or instruments which the Lender may require for perfecting the title of the Lender to the Charged Assets or for vesting the same in the Lender, its nominee or any purchaser;
- (b) to sign, execute, seal and deliver, and otherwise perfect, any further Security or document referred to in clause 4.1 (*Further assurance*); and
- (c) otherwise generally to sign, seal, execute and deliver all deeds, agreements and other documents and to do all acts and things which may be required for the full exercise of all or any of the powers conferred on the Lender under this Deed or which may be deemed expedient by the Lender in connection with any disposition,

realisation or getting in of the Charged Assets or any part thereof or in connection with any other exercise of any power under this Deed.

10.2 Ratification

The Chargor ratifies and confirms and agrees to ratify and confirm all acts and things which any attorney pursuant to clause 10.1 (*Power of attorney*) shall do, or purport to do, in the exercise of his powers under clause 10.1 (*Power of attorney*).

11 Miscellaneous

11.1 Continuing security

This Deed is a continuing Security and will extend to the ultimate balance of the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

11.2 Waiver of defences

The liability of the Chargor under this Deed will not be affected by an act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to it, the Lender or to any Group Member) including:

- (a) any time, waiver or consent granted to, or composition with, the Principal or other person;
- (b) the release of the Principal or any other person under the terms of any composition or arrangement with any creditor of any such entity or person;
- (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, the Principal or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Principal or any other person;
- (e) any amendment (however fundamental), renewal or replacement of, or novation, transfer or termination (in whole or in part) of, any Security or any agreement or other instrument providing for or entered into in connection with the Secured Liabilities or any entry into any new agreement or other instrument providing for or entered into in connection with the Secured Liabilities;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Security or any agreement or other instrument;
- (g) any insolvency or similar proceedings; or
- (h) the death, disability or incapacity of any person comprised in either the Chargor or the Principal.

11.3 Intent

Without prejudice to the generality of clause 11.2, the Chargor expressly confirms that it intends that this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any agreement providing for any Secured Liability and/or any facility or amount made available by a Group Member to the Principal for the purposes of or in connection with any of the following:

- (a) acquisitions of any nature;
- (b) increasing working capital;
- (c) enabling investor distributions to be made;
- (d) carrying out restructurings;
- (e) refinancing existing facilities;
- (f) refinancing any other indebtedness;
- (g) making facilities available to new borrowers;
- (h) any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and
- (i) any fees, costs and/or expenses associated with any of the foregoing.

11.4 Deferral of Chargor's rights

Until the Secured Liabilities have been irrevocably paid in full and unless the Lender otherwise directs, no Chargor will:

- (a) exercise any rights which it may have by reason of performance by it of its obligations in respect of the Secured Liabilities:
 - (i) to be indemnified by the Principal or any other Chargor;
 - (ii) to claim any contribution from the Principal or any other Chargor; and/or
 - (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender or the Group Members (or any of them) in respect of the Secured Liabilities or of any other guarantee or Security taken pursuant to, or in connection with, the Secured Liabilities by or on behalf of the Group Members (or any of them); and/or
- (b) in competition with or in priority to the Lender or any Group Member make any claim against the Principal or any other Chargor or their respective estates nor make any claim in the insolvency of the Principal or any other Chargor nor take or enforce any Security from or against the Principal or any other Chargor.

If a Chargor receives any benefit, payment or distribution in relation to such rights or Security it shall hold on trust for the Lender (as trustee for the Group Members) the lesser of the amount of the Secured Liabilities and the amount of such benefit, payment, distribution or Security and shall promptly pay or transfer the same to the Lender for application towards the Secured Liabilities.

11.5 Additional security

This Deed and the obligations of the Chargor under this Deed shall:

- (a) be in addition to, and not prejudice or affect, any present or future Collateral Instrument, Security, right or remedy held by or available to any Group Member; and
- (b) not merge with, or be in any way prejudiced or affected by the existence of, any such Collateral Instrument, Security, right or remedy.

11.6 Settlements conditional

Any settlement or discharge between any Group Member and the Chargor shall be conditional on no Security granted to, or disposition or payment to, that Group Member (whether by the Chargor or otherwise) being avoided or reduced as a result of insolvency or any similar event and the Lender shall be entitled to recover the value or amount of any such Security or payment from the Chargor and to enforce this Deed as if such settlement or discharge had not occurred.

11.7 No responsibility for loss

The Lender shall not be responsible for any loss occasioned by the timing of the exercise of its powers under this Deed.

11.8 No liability as mortgagee in possession

The Lender shall not be liable to account as mortgagee in possession in respect of all or any of the Charged Assets or be liable for any loss on realisation or for any neglect or default of any nature whatsoever for which a mortgagee in possession may be liable.

11.9 Perpetuity period

The perpetuity period for the trusts created by this Deed shall be 125 years from the date of this Deed.

12 Partial invalidity

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provisions under the law of any other jurisdiction will in any way be affected or impaired.

13 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of the Lender or any Group Member, any right or remedy available to it under this Deed or otherwise in respect of the Secured Liabilities shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise of or exercise of any other right or remedy. The rights and remedies provided in this Deed and in any other agreement providing for or entered into in connection with the Secured Liabilities are cumulative and not exclusive of any rights or remedies provided by law. Any Group Member may rely on this clause 13 subject to the provisions of the Contracts (Rights of Third Parties) Act 1999.

14 Notices

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

14.2 The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is:

(a) in the case of the Chargor, that specified in schedule 1; and

(b) in the case of the Lender:

Address: Santander UK plc
298 Deansgate
Manchester
M3 4HH

Fax number: 0161 953 3517

Attention: Commercial Property Administration Manager,

or any substitute address, fax number or department or officer as either Party may notify to the other by not less than 5 Business Days' notice.

14.3

(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 5 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 14.2, if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer identified above (or any substitute department or officer as the Lender shall specify for this purpose).

15 Calculations and certificates

15.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by a Group Member are prima facie evidence of the matters to which they relate.

15.2 Certificates and determinations

Any certification or determination by the Lender or a Group Member under this Deed or any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

15.3 No set off by the Chargor

All payments to be made by the Chargor under this Deed shall, subject to the terms of the Finance Documents, be calculated and be made without (and free and clear of any deduction for) set off or counterclaim.

16 Set off

The Lender or a Group Member may set off any matured obligation due from the Chargor against any matured obligation owed by the Lender or that Group Member to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Lender or that Group Member may convert either obligation at a market rate of exchange in its usual course of business for the purposes of the set off. Any Group Member may rely on this clause 16 subject to the provisions of the Contracts (Rights of Third Parties) Act 1999.

17 Currency

If a payment is made to the Lender under this Deed in a currency other than the currency in which it is expressed to be payable (**Contractual Currency**), the Lender may convert that payment into the Contractual Currency at a market rate of exchange in its usual course of business on or around the date of the payment and to the extent that the converted amount of the payment falls short of the amount due and payable the Chargor will remain liable for such shortfall and such shortfall shall form part of the Secured Liabilities.

18 Assignment

18.1 The Lender or any Group Member may at any time assign or otherwise transfer all or any part of its rights and obligations under this Deed or any Security created by or under it.

18.2 The Lender and each Group Member may disclose to any person:

- (a) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of:
 - (i) the Secured Liabilities; and/or
 - (ii) its rights and obligations under this Deed;
- (b) with (or through) whom it enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made by reference to, the Secured Liabilities or a Principal;
- (c) to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation; or
- (d) who is its Affiliate,

any information about a Chargor and this Deed as the Lender or that Group Member shall consider appropriate.

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

- 18.4 Any Group Member may rely on this clause 18 subject to the provisions of the Contracts (Rights of Third Parties) Act 1999.

19 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.

20 Governing law

- 20.1 This Deed shall be governed by, and construed in accordance with, English law and all claims and disputes between the Parties arising out of or in connection with this Deed (whether or not contractual in nature) shall be determined in accordance with English law.

- 20.2 If in any court any Party argues that a court other than the courts of England and Wales has jurisdiction to determine a dispute or difference between the Parties arising out of or in connection with this Deed that issue shall be determined in accordance with English law and each Party irrevocably and unconditionally waives any right it might otherwise have to rely upon the law of the forum or any other law.

21 Enforcement and jurisdiction

- 21.1 For the benefit of the Lender, the Chargor submits to the exclusive jurisdiction of the courts of England and Wales in relation to all claims, disputes, differences or other matters arising out of or in connection with this Deed provided that nothing in this clause shall prevent the Lender in its sole and unfettered discretion, from commencing proceedings against the Chargor in any court of competent jurisdiction.

- 21.2 The Chargor irrevocably waives any right that it may have:

- (a) to object on any ground to an action being brought in the courts of England and Wales, to claim that the action brought in the courts of England and Wales has been brought in an inconvenient forum, or to claim that the courts of England and Wales do not have jurisdiction; or
- (b) to oppose the enforcement of any judgment of any court of England and Wales.

This Deed has been entered into at the date stated at the beginning of this Deed.

Schedule 1

Chargor

Name	Jurisdiction of incorporation (if any)	Registered number (if any)	Address	Fax number (if any)
Ground Renis Income Fund plc	England and Wales	08041022	1 London Wall Place, London EC2Y 5AU	

Schedule 2

Principal

Name	Jurisdiction of Incorporation (If any)	Registered number
OPW Ground Rents Limited	England and Wales	05883384
Masshouse Residential Block HI Limited	England and Wales	05583689
Masshouse Block HI Limited	England and Wales	05583077

Schedule 3

Shares

Company Name	Registered number	Number of Shares	Class of Shares
OPW Ground Rents Limited	05883384	100	Ordinary shares of £1
Masshouse Residential Block HI Limited	05583689	1	Ordinary shares of £1
Masshouse Block HI Limited	05583077	1	Ordinary shares of £1

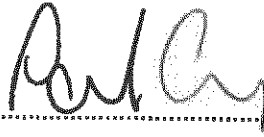
SIGNATURES

Chargor

Executed as a deed by
Ground Rents Income Fund plc
acting by a director in the
presence of:

)
)
)
)

Director



Signature of witness.....



Name of witness.....

Matthew Ailey

1 London Wall Place, London EC2Y 5AU

Authorised

on behalf of

Address

.....

Lender

SANTANDER UK PLC

By: