

MR01

Particulars of a charge

234 056 / 13



A fee is payable with this form.
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online.
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument.

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument Use form MR08

For further information, please
refer to our guidance at
www.companieshouse.gov.uk

This form **must be delivered to the Registrar for registration within
21 days** beginning with the day after the date of creation of the charge.
delivered outside of the 21 days it will be rejected unless it is accompanied by a
court order extending the time for delivery

FRIDAY



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LD5

27/06/2014

#57

COMPANIES HOUSE

☒ You **must** enclose a certified copy of the instrument with this form. This
scanned and placed on the public record **Do not send the original**

1 Company details

Company number 0 0 9 9 0 9 3 7
Company name in full The Co-operative Bank p l c

1 5 For official use

→ **Filling in this form**
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 1 7 0 1 2 0 1 4

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name ✓ Homeloan Management Limited
(Company number 02214839)

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

MR01

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4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

N/A

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

✓ ☒ Yes
☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☐ Yes Continue
✓ ☒ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes
☐ No

8

Trustee statement ①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X Allen & Overy LLP X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Alice Carpenter**

Company name
Allen & Overy LLP

Address **One Bishops Square**

Post town **London**

County/Region

Postcode **E 1 6 A D**

Country **United Kingdom**

DX

Telephone **020 3088 3293**



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☒ The company name and number match the information held on the public Register
- ☒ You have included a certified copy of the instrument with this form
- ☒ You have entered the date on which the charge was created
- ☒ You have shown the names of persons entitled to the charge
- ☒ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☒ You have given a description in Section 4, if appropriate
- ☒ You have signed the form
- ☒ You have enclosed the correct fee
- ☒ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales:
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland:
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland:
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT**

No: 3434 of 2014

Mr Registrar Jones

19 June 2014

In the Matter of The Co-operative Bank P.L.C

and

In the Matter of the Companies Act 2006



UPON THE APPLICATION by Claim filed on 12 May 2014 of the above-named Company ("the Claimant")

AND UPON HEARING the solicitor for the Claimant

AND UPON READING THE EVIDENCE

AND the Court being satisfied that the omission to deliver to the Registrar of Companies pursuant to Section 859A of the above-mentioned Act a Legal Charge hereinafter mentioned together with the prescribed Particulars thereof was due to inadvertence and that it is just and equitable to grant relief

IT IS ORDERED pursuant to Section 859F of the said Act that the time for delivering to the Registrar of Companies for Registration of the Legal Charge dated 17 January 2014 and made between the Co-operative Bank P.L.C of the one part and Homeloan Management Limited of the other part to secure all monies and liabilities together with the prescribed Particulars thereof is hereby extended to the 10 July 2014

AND IT IS DIRECTED THAT the Registrar of Companies shall not issue a conclusive certificate of registration in respect of the Debenture until such time as the Registrar of Companies is satisfied that (1) no winding up order or administration has commenced by 17 July 2014 or (2) if a winding up or administration has commenced by 17 July 2014 no application has been made to vary or discharge this order by 14 August 2014

AND IT IS ORDERED THAT the Claimant do deliver an Office Copy of this Order to the Registrar of Companies

AND THIS ORDER is without prejudice to the rights of any person acquired during the period between the date of the creation of the said Legal Charge and the date of its actual registration



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number. 990937

Charge code: 0099 0937 0015

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th January 2014 and created by THE CO-OPERATIVE BANK P.L.C. was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 27th June 2014.

P

Given at Companies House, Cardiff on 7th August 2014



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

EXECUTION VERSION

CERTIFIED TRUE COPY

of the original

Name ALICE CARPENTER

Qualified as Solicitor...

Allen & Overy LLP
One Bishops Square
London E1 6AO
United Kingdom



Date 24/06/14

SECURITY AGREEMENT

DATED 17 January **2014**

BETWEEN

THE CO-OPERATIVE BANK P.L.C.

AND

HOMELoAN MANAGEMENT LIMITED

ALLEN & OVERY

Allen & Overy LLP

0012223-0000092 ICM 18808381 7

CONTENTS

Clause	Page
1. Interpretation	1
2. Creation of Security.	3
3. Further assurances	4
4. Restrictions on dealings.	4
5. Representations and warranties .. .	4
6. Escrow Account Balance.....	5
7. When Security becomes enforceable... ..	5
8. Enforcement of Security.	6
9. REceiver	6
10. Powers of Receiver..... .	7
11. Application of proceeds... ..	9
12. Expenses and indemnity	9
13. Power of attorney	9
14. Miscellaneous.....	9
15. Release.....	10
16. Notices	10
17. Counterparts	11
18. Third Party Rights	11
19. Jurisdiction	11
20. Governing law	11
 Schedule	
1. Forms of Notice for Escrow Account.....	12
Part 1 Notice to Escrow Account Bank.....	12
Part 2 Acknowledgement of Escrow Account Bank	14
 Signatories.....	 15

THIS AGREEMENT (this Security Agreement) is dated
as a deed **BETWEEN**

17

January 2014 and is made

- (1) **THE CO-OPERATIVE BANK P.L.C.** (registered number 00990937), a public limited company incorporated under the laws of England and Wales, whose registered office is at 1 Balloon Street, Manchester M60 4EP (the **Chargor**), and
- (2) **HOMELoAN MANAGEMENT LIMITED** (registration number 2214839), a private limited company incorporated under the laws of England and Wales, whose registered office is at The Bailey, Skipton, North Yorkshire BD23 1DN (the **Chargee**).

BACKGROUND

- (A) The **Chargor** and the **Chargee** have on the date hereof entered into the Moorland Back-Up Servicing Agreement, the Cambric Back-Up Servicing Agreement and the Silk Back-Up Servicing Agreements and will following the date hereof enter into the Leek Back-Up Administration Agreement and have on or prior to the date hereof entered into the Moorland Back-Up Servicing Fee Letter, the Cambric Back-Up Fee Letter and the Silk Back-Up Servicing Fee Letters and will following the date hereof enter into the Leek Back-Up Administration Fee Letters respectively in relation thereto.
- (B) The **Chargor** and **Chargee** may following the date hereof enter into back-up servicing agreements with each of Meerbrook Finance Number Seven Limited and Meerbrook Finance Number Nine Limited
- (C) Pursuant to an agreement between the **Chargor** and the **Chargee** dated on or about the date hereof (the **Escrow Terms Agreement**), the **Chargor** has on or prior to the date hereof deposited an amount of £426,122.34 into the Escrow Account and may be required to deposit additional amounts from time to time into the Escrow Account pursuant to the terms of the Leek Back-Up Administration Fee Letters and/or the Moorland Back-up Servicing Fee Letter

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Security Agreement:

Act means the Law of Property Act 1925.

Charged Debt means the debt owed by the Escrow Account Bank to the **Chargor** represented by the Escrow Account Balance and all rights and benefits of the **Chargor** in connection with the Escrow Account (including, without limitation, entitlements to interest thereon to be paid to it therein).

Escrow Account means the account (IBAN: GB21 PARB 6000 0170 20676, account number 0070207671) opened in the name of the **Chargor** with the Escrow Account Bank and to be maintained in accordance with the terms of the Escrow Bank Account Agreement and the Escrow Terms Agreement, and includes any other account which is a successor to such account on any renumbering or re-designation of such account and any account into which all or part of a balance from such account is transferred for investment or administrative purposes.

Escrow Account Bank means BNP Paribas Securities Services, London Branch, and includes any bank to which the Escrow Account is transferred in accordance with the terms of the Escrow Terms Agreement or Clause 6 2 of this Security Agreement.

Escrow Account Balance means the credit balance from time to time on the Escrow Account, including all interest accrued on that balance.

Escrow Bank Account Agreement means the escrow agreement entered into on or about the date hereof by the Escrow Account Bank, the Co-operative Bank and HML.

Escrow Terms Agreement means the agreement dated on or about the date hereof between The Co-operative Bank p l.c (in its capacities as the Seller in respect of the Moorland Back-Up Servicing Fee Letter, the Cambric Back-Up Servicing Fee Letter and the Silk Back-Up Servicing Fee Letters and in its capacities as the Co-operative Bank in respect of the Leek Back-Up Administration Fee Letters and the Meerbrook Back-Up Servicing Fee Letters) and Homeloan Management Limited (in its capacities as the Back-Up Servicer in respect of the Moorland Back-Up Servicing Fee Letter, the Cambric Back-Up Servicing Fee Letter, the Silk Back-Up Servicing Fee Letters and the Meerbrook Back-Up Servicing Fee Letters and in its capacities as the Back-Up Administrator in respect of the Leek Back-Up Administration Fee Letters).

Party means a party to this Security Agreement.

Party B Account means the account in the name of the Chargee with account number: 00491020, sort code: 20-78-42 or such other account as is notified in writing by the Chargee to the Chargor from time to time in writing.

Receiver means a receiver and manager and a receiver of all or any part of the Charged Debt, in each case appointed under this Security Agreement.

Security Interest means any mortgage, sub-mortgage, standard security, charge, sub-charge, pledge, lien (other than a lien arising in the ordinary course of business or by operation of law), assignment in security or other encumbrance or security interest howsoever created or arising.

Secured Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally) of the Chargor to the Chargee under the Moorland Back-Up Servicing Fee Letter, the Silk Back-Up Servicing Fee Letters, the Cambric Back-Up Servicing Fee Letter, the Leek Back-Up Administration Fee Letters and any Meerbrook Back-Up Servicing Fee Letters entered into from time to time and designated an "Additional Fee Letter" for these purposes by each of the Chargor and the Chargee in writing.

Security means any Security Interest created, evidenced or conferred by or under this Security Agreement.

Security Period means the period beginning on the date of this Security Agreement and ending on the date on which the Chargee has no further rights to make any withdrawal from the Escrow Account in accordance with Clause 3 of the Escrow Terms Agreement.

In addition, terms used but not defined in this Security Agreement shall have the meanings given to them in the Escrow Terms Agreement.

1.2 Construction

- (a) In this Security Agreement, unless the contrary intention appears, a reference to:
- (i) an **amendment** includes a supplement, novation, variation, restatement or re-enactment, and the term **amended** will be construed accordingly;
 - (ii) an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
 - (iii) **disposal** means a sale, transfer, grant, lease or other disposal, whether voluntary or involuntary, and **dispose** will be construed accordingly;
 - (iv) a **person** includes any individual, company, corporation, unincorporated association or body (including a partnership, trust, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;
 - (v) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (vi) a **currency** is a reference to the lawful currency for the time being of the relevant country;
 - (vii) a **provision of law** is a reference to that provision as extended, applied, amended or re-enacted, and includes any subordinate legislation;
 - (viii) a **Clause**, a **Subclause** or a **Schedule** is a reference to a clause or subclause of, or a schedule to, this Security Agreement;
 - (ix) **any person** includes its successors in title, permitted assigns and permitted transferees;
 - (x) a **document** is a reference to that document as amended; and
 - (xi) a **time of day** is a reference to London time unless specified otherwise.
- (b) Any covenant of the Chargor under this Security Agreement (other than a payment obligation) remains in force during the Security Period and is given for the benefit of the Chargee
- (c) If the Chargee considers that an amount paid to it under the Moorland Back-Up Servicing Fee Letter, the Cambric Back-Up Servicing Fee Letter, the Silk Back-Up Servicing Fee Letters, the Meerbrook Back-Up Servicing Fee Letters and the Leek Back-Up Administration Fee Letters is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Security Agreement.

2. CREATION OF SECURITY

2.1 General

- (a) All the security created under this Security Agreement:
- (i) is created in favour of the Chargee;

- (ii) is security for the payment, discharge and performance of all the Secured Liabilities; and
- (iii) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

2.2 Charged Debt

The Chargor charges by way of a first fixed charge all of its rights in respect of the Charged Debt and the Escrow Account.

3. FURTHER ASSURANCES

The Chargor must, at its own expense, take whatever action the Chargee may require for:

- (a) creating, perfecting or protecting any security intended to be created by or pursuant to this Security Agreement;
- (b) facilitating the realisation of the Charged Debt; or
- (c) facilitating the exercise of any right, power or discretion exercisable by the Chargee or any of its delegates or sub-delegates in respect of the Charged Debt.

4. RESTRICTIONS ON DEALINGS

Except with the prior written consent of the Chargee, the Chargor must not:

- (a) create or permit to subsist any Security Interest or any third party interest on or in the Charged Debt; or
- (b) sell, transfer or otherwise dispose of the Charged Debt.

5. REPRESENTATIONS AND WARRANTIES

5.1 Nature of security

The Chargor represents and warrants to the Chargee that:

- (a) it is the sole legal and beneficial owner of the Charged Debt; and
- (b) the Charged Debt is free from any Security Interest (except for those created by or under this Security Agreement) and any other rights or interests in favour of third parties.

5.2 Times for making representations and warranties

- (a) The representations and warranties set out in this Security Agreement (including in this Clause) are made on the date of this Security Agreement
- (b) Each representation and warranty under this Security Agreement is deemed to be repeated by the Chargor on each date during the Security Period.
- (c) When a representation and warranty is deemed to be repeated, it is applied to the circumstances existing at the time of repetition.

6. ESCROW ACCOUNT BALANCE

6.1 Withdrawals

Except with the prior consent of the Chargee in accordance with the Escrow Terms Agreement prior to enforcement of the Security, the Chargor must not withdraw any part of any Escrow Account Balance.

6.2 Change of Account Bank

- (a) The Escrow Account Bank may be changed to another bank or financial institution if required or permitted under the Escrow Terms Agreement.
- (b) A change of Escrow Account Bank will only be effective when the Chargor and the new Escrow Account Bank have delivered a notice and acknowledgement substantially in the form set out in Schedule 1 (Forms of Notice for Escrow Account).
- (c) If there is a change of Escrow Account Bank, the amount (if any) standing to the credit of the Escrow Account maintained with the old Escrow Account Bank will be transferred to the corresponding Escrow Account maintained with the new Escrow Account Bank immediately upon the appointment taking effect. The Chargor irrevocably gives all authorisations and instructions necessary for any such transfer to be made.
- (d) The Chargor must take any action which the Chargee may reasonably require to facilitate a change of Escrow Account Bank and any transfer of credit balances (including the execution of bank mandate forms).

6.3 Notices of charge

The Chargor must:

- (a) immediately upon entry into of this Security Agreement, serve a notice of charge, substantially in the form of Part 1 of Schedule 1 (Forms of Notice for Escrow Account) on the Escrow Account Bank; and
- (b) thereafter, use its reasonable endeavours to ensure that the Escrow Account Bank promptly acknowledges the notice, substantially in the form of Part 2 of Schedule 1 (Forms of Notice for Escrow Account).

7. WHEN SECURITY BECOMES ENFORCEABLE

7.1 Timing

The Security will become immediately enforceable if the Chargor defaults in any of its obligations under the Escrow Terms Agreement and the Chargee gives notice to the Chargor that the Security is enforceable.

7.2 Enforcement

After the Security has become enforceable, the Chargee may in its absolute discretion enforce all or any part of the Security in any manner it sees fit

8. ENFORCEMENT OF SECURITY

8.1 General

- (a) The power of sale and any other powers conferred on a mortgagee by law (including under Section 101 of the Act), as amended by this Security Agreement, will be immediately exercisable at any time after the Security has become enforceable.
- (b) Any restriction imposed by law on the power of sale (including under Section 103 of the Act) or the right of a mortgagee to consolidate mortgages (including under Section 93 of the Act) does not apply to the Security.

8.2 Privileges

The Chargee is entitled to all the rights, powers, privileges and immunities conferred by law (including the Act) on mortgagees and receivers duly appointed under any law (including the Act), except that Section 103 of the Act does not apply.

8.3 Applying Escrow Account Balance

The Chargee may at any time after the Security becomes enforceable require the Escrow Account Bank to pay the Escrow Account Balance to the Chargee or as the Chargee may direct and the Chargee may apply all or any part of the Escrow Account Balance against all or any part of the Secured Liabilities.

9. RECEIVER

9.1 Appointment of Receiver

- (a) Except as provided below, the Chargee may appoint any one or more persons to be a Receiver of all or any part of the Charged Debt if the Security has become enforceable.
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the 1925 Act) does not apply to this Security Agreement.
- (d) The Chargee is not entitled to appoint a Receiver solely as a result of:
 - (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium,under Section 1A of the Insolvency Act 1986.

9.2 Removal

The Chargee may by writing under its hand 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

9.3 Remuneration

The Chargee may fix the remuneration of any Receiver appointed by it and the maximum rate specified in Section 109(6) of the 1925 Act will not apply. The Chargor will pay the remuneration of any Receiver in accordance with the terms and in the manner agreed from time to time between the relevant Receiver and the Chargee, subject to the terms and conditions of this Security Agreement

9.4 Agent of the Chargee

- (a) A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the 1925 Act. The Chargor alone is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.
- (b) If a liquidator of the Chargor is appointed, the Receiver will act as principal and not as agent of the Chargee
- (c) The Chargee will not incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver.

9.5 Relationship with Chargee

To the fullest extent allowed by law, any right, power or discretion conferred by this Security Agreement (either expressly or impliedly) or by law on a Receiver may after the Security becomes enforceable be exercised by the Chargee in relation to any of the Charged Debt without first appointing a Receiver and notwithstanding the appointment of a Receiver.

10. POWERS OF RECEIVER

10.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law; this includes all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the 1925 Act and the Insolvency Act 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Security Agreement individually and to the exclusion of any other Receiver

10.2 Possession

A Receiver may take immediate possession of, get in and collect any of the Charged Debt.

10.3 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any of the Charged Debt either in priority to the Security or otherwise and generally on any terms and for whatever purpose which he thinks fit.

10.4 Sale of assets

- (a) A Receiver may sell, exchange, convert into money and realise any of the Charged Debt by public auction or private contract and generally in any manner and on any terms which he thinks fit.

- (b) The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit.

10.5 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any of the Charged Debt, provided that, any such claim has priority to or ranks *pari passu* with this Security Agreement.

10.6 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any of the Charged Debt which he thinks fit.

10.7 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any of the Charged Debt.

10.8 Delegation

A Receiver may delegate his powers in accordance with this Security Agreement.

10.9 Lending

A Receiver may lend money or advance credit on behalf of the Chargor.

10.10 Protection of assets

A Receiver may do any other act which the Chargor might do in the ordinary conduct of its business to protect or improve any of the Charged Debt, in each case as he thinks fit.

10.11 Payment of expenses

A Receiver may pay and discharge, out of the profits and income of the Charged Debt, the expenses incurred by it in connection in the exercise of any of the powers conferred by this Clause or otherwise in respect of the Charged Debt and all other expenses which it shall think fit to pay and will apply the residue of those profits and income in accordance with the terms of this Security Agreement.

10.12 Other powers

A Receiver may

- (a) do all other acts and things which he may consider desirable or necessary for realising any of the Charged Debt or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Security Agreement or law;
- (b) exercise in relation to any of the Charged Debt all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Charged Debt; and

- (c) use the name of the Chargor for any of the above purposes.

11. APPLICATION OF PROCEEDS

Unless otherwise determined by the Chargee, any moneys received by the Chargee after the Security has become enforceable must be applied in the following order of priority:

- (a) in or towards payment of or provision for all costs and expenses incurred by the Chargee under or in connection with this Security Agreement;
- (b) in payment to the Chargee for application towards the balance of the Secured Liabilities; and
- (c) in payment of the surplus (if any) to the Chargor or other person entitled to it.

This Clause is subject to the payment of any claims having priority over the Security. This Clause does not prejudice the right of the Chargee to recover any shortfall from the Chargor.

12. EXPENSES AND INDEMNITY

The Chargor must:

- (a) within 20 Business Days of demand pay all evidenced costs and expenses (including legal fees) incurred in connection with enforcement of this Security Agreement by the Chargee; and
- (b) keep the Chargee indemnified against any loss or liability incurred by it in connection with any litigation, arbitration or administrative proceedings concerning the Security or the enforcement thereof or any breach by the Chargor of any of the provisions hereof

13. POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Chargee to be its attorney to take any action which the Chargor is obliged to take under this Security Agreement. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause

14. MISCELLANEOUS

14.1 Covenant to pay

The Chargor must discharge the Secured Liabilities in the manner provided for in the Moorland Back-Up Servicing Fee Letter, the Silk Back-Up Servicing Fee Letters, the Cambric Back-Up Servicing Fee Letter, the Meerbrook Back-Up Servicing Fee Letters and the Leek Back-Up Administration Fee Letters.

14.2 New Accounts

- (a) If any subsequent charge or other interest affects the Charged Debt, the Chargee may open a new account with the Chargor.
- (b) If the Chargee does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.

- (c) As from that time all payments made to the Chargee will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

14.3 No liability

The Chargee will not be liable for any loss of any kind resulting from the exercise of its rights under this Security Agreement to require the Escrow Account Bank to account to it for the Charged Debt.

14.4 In writing

Any communication in connection with this Security Agreement must be in writing and, unless otherwise stated, may be given in person, by post or by fax. Unless it is agreed to the contrary, any consent or agreement required under this Security Agreement must be given in writing.

14.5 Waiver

The respective rights of the Chargee and any Receiver under this Security Agreement may be waived only in writing and specifically. Delay in exercising or non-exercise of any right is not a waiver of that right.

14.6 Severability

If a term of this Security Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that will not affect the legality, validity or enforceability in that jurisdiction of any other term of this Security Agreement or the legality, validity or enforceability in any other jurisdiction of that or any other term of this Security Agreement.

14.7 Amendments

Any amendments to this Security Agreement will be made only with the prior written consent of each Party.

14.8 No merger

The Security is in addition to, and will not be merged in, or in any way exclude or prejudice any other Security Interest or other right which the Chargee may now or at any time have (or would apart from the Security have) as regards the Chargor or any other person in respect of the Secured Liabilities.

15. RELEASE

At the end of the Security Period, the Chargee must, at the request and cost of the Chargor, take whatever action is reasonably necessary to release the Charged Debt from the Security.

16. NOTICES

Any notice or other communication or document to be made or delivered under this Security Agreement shall be made or delivered in accordance with Clause 20 of the Moorland Back-Up Servicing Agreement, Clause 20 of each of the Silk Back-Up Servicing Agreements, Clause 20 of the Cambric Back-Up Servicing Agreement and Clause 20 of each of the Leek Back-Up Administration Agreements and the equivalent provision notified in writing by the relevant Meerbrook Entity to the Co-operative Bank and HML in relation to any back-up servicing agreement entered into by, *inter alios*, a Meerbrook Entity and HML.

17. COUNTERPARTS

This Security Agreement may be executed in any number of counterparts (manually or electronically or by facsimile), and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart. Each counterpart shall constitute an original of this Security Agreement, but all the counterparts shall together constitute but one and the same instrument

18. THIRD PARTY RIGHTS

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

19. JURISDICTION

19.1 Submission to Jurisdiction

- (a) Each of the Parties irrevocably agrees for the benefit of each other Party that the courts of England are to have exclusive jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with this Security Agreement and accordingly irrevocably submits to the exclusive jurisdiction of such courts.
- (b) The courts of England are the most appropriate and convenient courts to settle any such dispute. Each of the parties hereto agrees not to argue to the contrary and waives objection to those courts on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with this Security Agreement.

20. GOVERNING LAW

This Security Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

This Security Agreement has been entered into and executed as a deed on the date stated at the beginning of this Security Agreement

SCHEDULE 1
FORMS OF NOTICE FOR ESCROW ACCOUNT
PART 1

NOTICE TO ESCROW ACCOUNT BANK

NOTICE dated January 2014

From: The Co-operative Bank p.l.c. (the **Chargor**)

To: BNP Paribas Securities Services, London Branch (the **Escrow Account Bank**)

Copy: Homeloan Management Limited (the **Chargee**)

This notice relates to the following account (the **Escrow Account**):

Account holder:	The Co-operative Bank p.l c.
IBAN	GB21 PARB 6000 0170 20676
Account number:	0070207671

The **Chargor** has charged (by way of first fixed charge) in favour of the **Chargee** all its rights in respect of any amount standing to the credit of the **Escrow Account** and in respect of the **Escrow Account**.

The **Chargor** irrevocably instructs and authorises you to:

- (a) disclose to the **Chargee** any information relating to the **Escrow Account** requested from the **Escrow Account Bank** by the **Chargee**,
- (b) comply with the terms of any written notice or instruction relating to the **Escrow Account** received by the **Escrow Account Bank** from the **Chargee**;
- (c) hold all sums standing to the credit of the **Escrow Account** to the order of the **Chargee**; and
- (d) pay or release any sum standing to the credit of the **Escrow Account**:
 - (i) (prior to notice from the **Chargee** of enforcement of the charge referred to above) in accordance with the written instructions of the **Chargor**, provided that such instructions are to pay amounts to the **Party B Account**;
 - (ii) (prior to notice from the **Chargee** of enforcement of the charge referred to above) in accordance with the written instructions of the **Chargor** and the **Chargee**, if such instructions are to pay amounts to an account other than the **Party B Account**; and
 - (iii) (following notice from the **Chargee** of enforcement of the charge referred to above) in accordance with the written instructions of the **Chargee**

The **Chargor** is not permitted to withdraw any amount from the **Escrow Account** at any time following notice from the **Chargee** of enforcement of the charge referred to above.

The Chargor acknowledges that the Escrow Account Bank may comply with the instructions in this notice without any further permission from the Chargor or enquiry by the Escrow Account Bank.

The instructions in this notice may not be revoked or amended without the prior written consent of the Chargee.

This notice and any non-contractual obligations arising out of or in connection with it are governed by English law.

Please confirm the agreement of the Escrow Account Bank to the above by sending the attached acknowledgement to the Chargee at The Bailey, Skipton, North Yorkshire BD23 1DN with a copy to the Chargor at 1 Balloon Street, Manchester M60 4EP.

.....
(Authorised Signatory)
The Co-operative Bank p.l.c.

PART 2

ACKNOWLEDGEMENT OF ESCROW ACCOUNT BANK

ACKNOWLEDGMENT dated January 2014

From: BNP Paribas Securities Services, London Branch (the **Escrow Account Bank**)

To: Homeloan Management Limited (the **Chargee**)

Copy: The Co-operative Bank p.l.c. (the **Chargor**)

The Escrow Account Bank acknowledges receipt of a notice (the **Notice**) a copy of which is attached. The term **Escrow Account** has the meaning given in the Notice.

The Escrow Account Bank confirms that it:

- (a) accepts the instructions contained in the Notice and agrees to comply with the Notice;
- (b) has not received notice of the interest of any third party in the Escrow Account;
- (c) has neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of the Escrow Account; and
- (d) will not permit any amount to be withdrawn from the Escrow Account by the Chargor following notice from the Chargee of enforcement of the charge referred to in the Notice.

This acknowledgement and any non-contractual obligations arising out of or in connection with it are governed by English law.

.....
(Authorised Signatory)

BNP Paribas Securities Services, London Branch

SIGNATORIES

Chargor

EXECUTED and DELIVERED as a DEED
by THE CO-OPERATIVE BANK P.L.C.
acting by its attorney

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)
)
) 

in the presence of:

Witness: *N. Rowlands*

Name: *Nicholas Rowlands*

Address: *COOP Bank Manchester*

Chargee

EXECUTED and DELIVERED as a DEED
by HOMELOAN MANAGEMENT LIMITED
acting by a director

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)
)

in the presence of:

Witness:

Name:

Address:

SIGNATORIES

Chargor

EXECUTED and DELIVERED as a DEED
by THE CO-OPERATIVE BANK P.L.C.
acting by its attorney

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)

in the presence of.

Witness:

Name.

Address:

Chargee

EXECUTED and DELIVERED as a DEED
by HOMELOAN MANAGEMENT LIMITED
acting by a director

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in the presence of:



Witness: Dominic O'MAHONY

Name: Legal services Assistant

Address: Gateway House, Gargrave Rd
Skipton. W. Yorkshire
BD23 2HL