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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Pursuant to section 395 of the Companies Act 1985

CHA 116

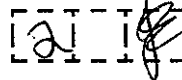
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in black type, or
bold block lettering

*insert full name
of company

To the Registrar of Companies

For official use

Company number



3194469

Name of company

*HOUSING ASSOCIATION FUNDING PLC (the "Chargor")

Date of creation of the charge

30th January 1998

Description of the instrument (if any) creating or evidencing the charge (note 2)

Deed of Charge dated 23 January 1997 as amended and restated on 30 January 1998 (the "Deed of Charge")

Amount secured by the mortgage or charge

Please see attached continuation sheet

Names and addresses of the mortgagees or persons entitled to the charge

Royal Exchange Trust Company Limited, 155 Bishopsgate, London EC2M 3TG, for itself and on trust for the Secured Creditors (the "Trustee").

Presentor's name address and
reference (if any):

Clifford Chance
200 Aldersgate Street
London EC4A 4JJ

Ref: GFO/M1230/8302/CHAO
Doc: H:\GFO\GFO\$02\$8.06

Time critical reference

For official use
Mortgage Section

Post room



KLO *KT8XG3RS* 1797
COMPANIES HOUSE 16/02/98

Please see attached continuation sheet.

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in black type, or
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Particulars as to commission allowance or discount (note 3)

None

Signed

Clifford Chance

Date

13 February 1998

On behalf of [company] [mortgagee/chargee] †

† delete as
appropriate

NOTES

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.

**FORM 395 - CONTINUATION SHEET
HOUSING ASSOCIATION FUNDING PLC**

Amount secured by the mortgage or charge

All monies, debts and liabilities which were at the date of the Deed of Charge or have been or at any time thereafter may be or become due, owing or incurred, actually or contingently, by the Chargor:

- (i) to the Trustee, in its capacity as such, under or in connection with the Trust Deed;
- (ii) to the Noteholders and the Couponholders in respect of principal, interest or any amounts payable in respect of the Notes and/or the Coupons;
- (iii) to each Facility Agent and/or the Banks under or in connection with the Short Term Loan Agreements;
- (iv) to each Additional Facility Provider under or in connection with the Additional Facility Agreements;
- (v) to the Administration Manager under or in connection with the Account Management and Administration Agreement; and
- (vi) to the Account Manager under or in connection with the Account Management and Administration Agreement;

(hereinafter the "Secured Amounts".)

Short particulars of the property mortgaged or charged

As continuing security for the payment or discharge of the Secured Amounts the Chargor with full title guarantee in favour of the Trustee for itself and on trust for the Secured Creditors:

- (a) charged by way of first legal sub-mortgage all of the Chargor's right, title, interest and benefit present and future in and to each Legal Charge;
- (b) charged by way of first fixed charge all of the Chargor's right, title, interest and benefit present and future in and to (i) each Defeasance Instrument purchased by the Chargor in accordance with the terms of the Loan Agreements together with all interest accruing thereon from time to time and the debt represented thereby and all its right, title, interest and benefit present and future therein and (ii) any mortgage, charge, pledge, lien or other encumbrance granted by any Borrower in favour of the Chargor over any Defeasance Instruments purchased by such Borrower in accordance with the terms of its Loan Agreement;
- (c) charged by way of first fixed charge all of the Chargor's right, title, interest and benefit present and future in and to all sums of money which may now or hereafter from time to time be credited to each Weekly Payment Account, each Reserve Account, the Operating Account, the Additional Account and/or the Investment

Account and any other bank or other accounts in which the Chargor may at any time have or acquire any right, title, interest or benefit together with all interest accruing from time to time thereon and the debt represented thereby and all its right, title, interest and benefit present and future therein; and

- (d) assigned by way of first fixed security all of the Chargor's right, title, interest and benefit present and future in and to the Transaction Documents (other than the Trust Deed, the First Supplemental Trust Deed and the Deed of Charge) to which the Chargor is a party and any other agreement or document which the Chargor is, or may at any time be, expressed to have the benefit of, or in or under which the Chargor has, or may at any time have, any rights or any other interest except to the extent otherwise charged or secured by way of fixed security under this Clause 3.01 including, without limitation, all supplements and accretions thereto, all rights to receive payment of any amounts which may become payable thereunder, all payments received by the Chargor thereunder and all items expressed to be held on trust for the Chargor thereunder or comprised therein, the benefits of all covenants relating thereto, all rights to serve notices and/or give consents and directions and/or make demands thereunder and/or take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof.

As continuing security for the payment or discharge of the Secured Amounts the Chargor with full title guarantee charged to the Trustee by way of first floating charge the whole of its undertaking and all its property, assets and rights whatsoever and wheresoever present and future including, without limitation, its uncalled capital but excluding any other property or assets from time to time or for the time being charged or assigned by way of fixed security.

Negative Pledge:

The Chargor has covenanted with and undertaken to the Trustee on trust for the Trustee and for the Secured Creditors that, so long as any of the Secured Amounts remain outstanding, it will not, save to the extent permitted by the Transaction Documents or with the prior written consent of the Trustee create or permit to subsist any Security Interest to secure any indebtedness other than as expressly contemplated by the Transaction Documents (the charges and securities created under and pursuant to the Deed of Charge ranking, for the avoidance of doubt and to the extent permitted by law, in priority to any such prohibited Security Interest) (other than liens which may at any time arise by operation of law).

Definitions:

"Account Bank" means Barclays Bank PLC acting through its branch at Broadgate Corporate Banking Centre, 155 Bishopsgate, London EC2M 3XA;

"Account Management and Administration Agreement" means the agreement dated 23 January 1997 as amended and restated by the Master Amendment and Restatement Agreement between the Chargor, the Account Manager, the Administration Manager and the Trustee and the Arranger;

"Account Manager" means Barclays Bank PLC acting through its branch at Broadgate Corporate Banking Centre, 155 Bishopsgate, London EC2M 3XA;

"Additional Account" means the account of the Chargor with the Account Bank having account number 50927066;

"Additional Facility Agreements" means the First Additional Facility Agreement and the Second Additional Facility Agreement;

"Additional Facility Provider" means either the First Additional Facility Provider (including any subsequent provider thereof) or the Second Additional Facility Provider (including any subsequent provider thereof) as the context may require;

"Administration Manager" means Royal Exchange Trust Company Limited;

"Agency Agreement" means the agreement dated 23 January 1997 as amended and restated by the Master Amendment and Restatement Agreement made between the Chargor, the Principal Paying Agent, the other Paying Agents, if so appointed, and the Trustee and includes the Schedule thereto and any agency agreement supplemental thereto and the Schedules (if any) thereto;

"Arranger" means Freud Lemos Limited;

"Banks" means each Original Lender and any assignee or transferee thereof under the Short Term Loan Agreements;

"Borrowers" or "Housing Associations" means each of the following bodies incorporated under the Industrial and Provident Societies Act 1965 and registered as a social landlord under the Housing Act 1996:

- (i) Airways Housing Society Limited whose registered office is 1 Douglas Road, Stanwell, Middlesex TW19 7QS;
- (ii) Grosvenor Housing Association Limited whose registered office is Hardshaw House, Tolver Street, St. Helens WA10 1EW;
- (iii) Home Housing Association whose registered office is Ridley House, Regent Centre, Gosforth, Newcastle NE3 3JE;
- (iv) Jephson Homes Housing Association Limited whose registered office is Jephson House, Blackdown, Leamington Spa, Warwickshire CV32 6RE;
- (v) Knightstone Housing Association Limited whose registered office is Station Road, Worle, Weston-Super-Mare, Avon BS22 0AP;
- (vi) Riverside Housing Association whose registered office is 46 Wavertree Road, Liverpool L7 1PH;

- (vii) Servite Houses whose registered office is 2 Bridge Avenue, London W6 9JP;
- (viii) Thames Valley Housing Association Limited whose registered office is Premier House, 52 London Road, Twickenham;
- (ix) Touchstone Housing Association Limited whose registered office is PO Box 160, Touchstone House, Whitley Village, Coventry CV3 4HZ; and
- (x) Touchstone 2 Housing Association Limited whose registered office is PO Box 160, Touchstone House, Whitley Village, Coventry CV3 4HZ;

and "**Borrower**" or "**Housing Association**" means any of them;

"**Common Borrower**" means Jephson Homes Housing Association Limited and Servite Houses;

"**Coupon or Coupons**" means the Interest Coupons or the Principal Coupons of the Notes, as the context may require;

"**Couponholders**" means the several persons who are for the time being bearers of the Coupons for the Notes;

"**Defeasance Instruments**" means UK government securities or obligations (such as time deposits) of an issuer whose long term debt obligations are rated by each Rating Agency and which each Rating Agency has confirmed to the Chargor will not result, if purchased and applied in accordance with the provision of the Loan Agreements, in a downgrading of the Notes;

"**Definitive Note**" means a bearer Note in definitive form to be issued in respect of the Notes pursuant to, and in the circumstances specified in, the Second Schedule of the Trust Deed and Condition 1 of the Notes and includes any replacements for Definitive Notes issued pursuant to Condition 10;

"**Facility Agent**" means either the First Facility Agent or the Second Facility Agent as the context may require;

"**First Additional Facility Agreement**" means the additional facility agreement dated 23 January 1997 made between the First Additional Facility Provider, the Chargor and the Trustee;

"**First Additional Facility Provider**" means Barclays Bank PLC;

"**First Facility Agent**" means Barclays Bank PLC as agent under the First Short Term Loan Agreement;

"**First Offering Circular**" means the Offering Circular dated 10 February 1997 prepared in connection with the issue of the Original Notes;

"First Original Lender" means Barclays Bank PLC;

"First Short Term Loan Agreement" means the short term loan agreement dated 23 January 1997 made between the First Original Lender and the Chargor;

"First Supplemental Trust Deed" means the first supplemental trust deed for the Further Notes dated 30 January 1998 made between the Chargor and the Trustee;

"Further Borrower" means Airways Housing Society Limited, Grosvenor Housing Association Limited, Thames Valley Housing Association Limited, Touchstone Housing Association Limited and Touchstone 2 Housing Association Limited;

"Further Notes" means the notes issued on 30 January 1998 pursuant to Clause 2 of the First Supplemental Trust Deed and being consolidated and forming a single series with the Original Notes or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes any Further Temporary Global Notes representing them (or part thereof), any Further Permanent Global Note representing them (or any part thereof) and the Definitive Notes (or any of them);

"Further Permanent Global Note" means the Permanent Global Note to be exchanged for the relevant Further Temporary Global Note pursuant to Clause 3 of the First Supplemental Trust Deed and which replaces the Original Permanent Global Note;

"Further Temporary Global Note" means the temporary bearer global note representing the principal and interest entitlement to the Further Notes in the form set out in the Third Schedule to the First Supplemental Trust Deed;

"Interest Coupon" means an interest coupon relating to a Definitive Note;

"Investment Account" means the account of the Chargor with the Account Bank having account number 40168903;

"Legal Charge" means a first fixed charge granted or to be granted by a Borrower pursuant to the terms of its Loan Agreement and additionally, in the case of Airways Housing Society Limited, granted or to be granted by the Third Party Chargor;

"Loan Agreement" means, in respect of:

- (a) an Original Borrower which is not a Common Borrower, the loan agreement made between the Chargor and that Original Borrower dated 23 January 1997 relating to the on-lending by the Chargor to that Borrower of a proportion of the net proceeds of the issue of the Original Notes;
- (b) a Further Borrower which is not a Common Borrower, the loan agreement made or to be made between the Chargor and that Further Borrower relating to the on-lending by the Chargor to that Borrower of a proportion of the net proceeds of the issue of the Further Notes; and

- (c) a Common Borrower, the loan agreement made between the Chargor and that Common Borrower dated 23 January 1997 relating to the on-lending by the Chargor to that Borrower of a proportion of the net proceeds of the issue of the Original Notes as the same has been or will be supplemented by a consolidated loan agreement made or to be made between the Chargor and that such Common Borrower which consolidates a further loan to that Common Borrower (to be funded by the on-lending by the Chargor to that Borrower of a proportion of the net proceeds of the issue of the Further Notes) with the existing loan to that Common Borrower,

and "**Loan Agreement**" means any of them;

"**Master Amendment and Restatement Agreement**" means the agreement of that name dated on or about 30 January 1998 between the Chargor, the Account Manager, the Account Bank, the Administration Manager, the Trustee, the First Additional Facility Provider, the Second Additional Facility Provider, the First Facility Agent, the Second Facility Agent, the First Original Lender and the Second Original Lender;

"**Moody's**" means Moody's Investors Service, Inc. and includes any successor to its rating business;

"**Notes**" means the Original Notes and the Further Notes or any of them;

"**Noteholders**" means the holders of any Notes and shall, where the context so requires, include the holders of any Coupons or Talons;

"**Operating Account**" means the interest bearing account of the Chargor with the Account Bank having account number 80151653;

"**Original Borrower**" means Home Housing Association, Knightstone Housing Association Limited and Riverside Housing Association;

"**Original Lender**" means either the First Original Lender or the Second Original Lender as the context may require;

"**Original Notes**" means the £68,250,000 8.25 per cent. notes due June 2027 constituted by the Trust Deed or the amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Original Temporary Global Note (or any part thereof), the Original Permanent Global Note (or any part thereof) and the Definitive Notes (or any part thereof);

"**Original Permanent Global Note**" means the permanent bearer global note representing the principal and interest entitlement to the Original Notes, substantially in the form set out in the Second Schedule to the Trust Deed;

"**Original Temporary Global Note**" means the temporary bearer global note representing the principal and interest entitlement to the Original Notes, substantially in the form set out in the First Schedule to the Trust Deed;

"outstanding" means, in relation to the Notes, all the Notes other than:

- (i) any Notes which have been redeemed in full and cancelled accordance with Condition 5 of the Notes;
- (ii) any Notes in respect of which the date for redemption in accordance with the provisions of the Conditions has occurred and the redemption moneys and all interest accrued thereon to such date for redemption have been duly paid to the Trustee or the Principal Paying Agent in the manner provided for in the Agency Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with Condition 15 of the Notes and remain available for payment in accordance with the Conditions);
- (iii) any Notes which have become void in accordance with Condition 9 of the Notes;
- (iv) any mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacement Notes have been issued pursuant to Condition 10 of the Notes;
- (v) (for the purpose only of ascertaining the amount of the Notes outstanding and without prejudice to their status for any other purpose) any Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 10 of the Notes;
- (vi) the Temporary Global Note to the extent it has been exchanged for the Permanent Global Note or, as the case may be, the Permanent Global Note to the extent that it has been exchanged for Definitive Notes pursuant to their respective provisions;

provided that for each of the following purposes, namely:

- (1) the right to attend and vote at any meeting of Noteholders;
- (2) the determination of how many and which Notes are for the time being outstanding for the purposes of Clauses 6.1 (*Waiver*), 7.1 (*Institution of legal proceedings*) and 11.1 (*Appointment of Trustee*), Conditions 8 and 13 and the Fifth Schedule to the Trust Deed;
- (3) any discretion, power or authority, whether contained in the Trust Deed, the Deed of Charge or any Transaction Document to which the Trustee is a party or provided by law, which the Trustee is required to exercise in or by reference to the interests of the Noteholders or any of them; or
- (4) the determination by the Trustee of whether any Event of Default is materially prejudicial to the interest of the Noteholders or any of them;

any Notes which are for the time being held beneficially by or for the account or benefit of the Chargor or the Administration Manager, shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

"Paying Agents" means the Principal Paying Agent, and any other paying agents, if so appointed under the Agency Agreement, and includes any additional or successor paying agents appointed in accordance with the Agency Agreement and "Paying Agent" means any one of them;

"Permanent Global Note" means the Permanent Global Note representing the Notes, substantially in the form of Second Schedule to the Trust Deed;

"Principal Coupon" means a principal coupon relating to a Definitive Note;

"Principal Paying Agent" means Barclays Bank PLC in its capacity as principal paying agent and includes any successor principal paying agent appointed in accordance with the Agency Agreement;

"Rating Agencies" means Moody's and/or Standard & Poor's and "Rating Agency" shall mean either one of the above;

"Receiver" means any receiver, manager, receiver and manager or administrative receiver appointed by the Trustee under the Deed of Charge or under the Trustee's statutory powers relating thereto;

"Reserve Account" means each of the interest bearing accounts in the name of the Lender at the Account Bank in London with the following titles;

- (i) "Re Airways Housing Society Reserve Account";
- (ii) "Re Grosvenor Housing Association Reserve Account";
- (iii) "Re Home Housing Association Reserve Account";
- (iv) "Re Jephson Homes Housing Association Reserve Account";
- (v) "Re Knightstone Housing Association Reserve Account";
- (vi) "Re Riverside Housing Association Reserve Account";
- (vii) "Re Servite Houses Reserve Account";
- (viii) "Re Thames Valley Housing Association Reserve Account";
- (ix) "Re Touchstone Housing Association Reserve Account"; and
- (x) Re Touchstone 2 Housing Association Reserve Account;

includes any successor account opened pursuant to the provisions of the relevant Loan Agreement;

"Second Additional Facility Agreement" means the additional facility agreement dated on or about the date hereof to be made between the Chargor, the Second Additional Facility Provider and the Trustee;

"Second Additional Facility Provider" means Abbey National Treasury Services plc;

"Second Facility Agent" means Abbey National Treasury Services plc as agent under the Second Short Term Loan Agreement;

"Second Offering Circular" means the offering circular to be prepared in connection with the issue of the Further Notes, as the same may be amended or supplemented on or before the Further Closing Date;

"Second Original Lender" means Abbey National Treasury Services plc;

"Second Short Term Loan Agreement" means the short term loan agreement dated on or about the date hereof to be made between the Chargor and the Second Original Lender;

"Secured Creditors" means the Trustee, the Noteholders, any Receiver, the Account Manager, the Administration Manager, each Additional Facility Provider and each Facility Agent, each Original Lender and any other person who is expressed in the Deed of Charge to be a Secured Creditor;

"Security Interest" means any mortgage, charge, pledge, lien or other encumbrance, howsoever created or arising;

"Short Term Loan Agreements" means the First Short Term Loan Agreement and the Second Short Term Loan Agreement;

"Standard and Poor's" means Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc.;

"Talon" means a talon attached to a Definitive Note which is exchangeable for further Coupons;

"Temporary Global Note" means the Temporary Global Note representing the Notes, substantially in the form of the First Schedule to the Trust Deed;

"Terms & Conditions" means the terms and conditions of the Notes to be scheduled in the agreed form to the Trust Deed and any reference to a numbered "Condition" is to a corresponding numbered provision thereof;

"Third Party Chargor" means Court Housing (Berkshire Senior Citizens Housing) Association Limited whose registered office is 1 Douglas Road, Stanwell, Middlesex TW19 7QS;

"Transaction Documents" means each Subscription Agreement, the Agency Agreement, the Trust Deed, the First Supplemental Trust Deed, the Deed of Charge, the Account Management and Administration Agreement, each Short Term Loan Agreement, each Additional Facility Agreement, the Master Amendment and Restatement Agreement, each Certificate of Title, each Loan Agreement, each Legal Charge and the Primary Receivership and Managing Agency Agreement;

"Trust Deed" means the Trust Deed for the Notes dated 11 February 1997 as amended by the First Supplemental Trust Deed,;

"Trustee" means Royal Exchange Trust Company Limited and includes all other persons for the time being acting as the trustee or trustees of the Trust Deed; and

"Weekly Payment Account" means each of the interest bearing accounts in the name of the Lender with the Account Bank in London with the following titles:

- (i) "Re Airways Housing Society Weekly Payment Account";
- (ii) "Re Grosvenor Housing Association Weekly Payment Account";
- (iii) "Re Home Housing Association Weekly Payment Account";
- (iv) "Re Jephson Homes Housing Association Weekly Payment Account";
- (v) "Re Knightstone Housing Association Weekly Payment Account";
- (vi) "Re Riverside Housing Association Weekly Payment Account";
- (vii) "Re Servite Houses Weekly Payment Account";
- (viii) "Re Thames Valley Housing Association Weekly Payment Account";
- (ix) "Re Touchstone Housing Association Weekly Payment Account; and
- (x) "Re Touchstone 2 Housing Association Weekly Payment Account;

includes any successor account opened pursuant to the provisions of the relevant Loan Agreement.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 03194469

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF CHARGE AS AMENDED AND RESTATED DATED THE 30th JANUARY 1998 AND CREATED BY HOUSING ASSOCIATION FUNDING PLC FOR SECURING ALL MONIES, DEBTS AND LIABILITIES DUE OR TO BECOME DUE FROM THE COMPANY TO (i) THE TRUSTEE, IN ITS CAPACITY AS SUCH, UNDER OR IN CONNECTION WITH THE TRUST DEED; (ii) TO THE NOTEHOLDERS AND THE COUPONHOLDERS IN RESPECT OF PRINCIPAL, INTEREST OR ANY AMOUNTS PAYABLE IN RESPECT OF THE NOTES AND/OR THE COUPONS; (iii) TO EACH FACILITY AGENT AND/OR THE BANKS UNDER OR IN CONNECTION WITH THE SHORT TERM LOAN AGREEMENTS; (iv) TO EACH ADDITIONAL FACILITY PROVIDER UNDER OR IN CONNECTION WITH THE ADDITIONAL FACILITY AGREEMENTS; (v) TO THE ADMINISTRATION MANAGER UNDER OR IN CONNECTION WITH THE ACCOUNT MANAGEMENT AND ADMINISTRATION AGREEMENT; AND (vi) TO THE ACCOUNT MANAGER UNDER OR IN CONNECTION WITH THE ACCOUNT MANAGEMENT AND ADMINISTRATION AGREEMENT WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 16th FEBRUARY 1998.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 18th FEBRUARY 1998.

A handwritten signature in dark ink, appearing to read 'J. M. Evans'.

J. M. EVANS

for the Registrar of Companies



C O M P A N I E S H O U S E

HC026B

LC
17/2/98