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COMPANIES FORM No. 397

Particulars for the registration of a charge to secure a series of debentures

397

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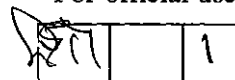
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Pursuant to section 397 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - note 6)

For official use

Company number



3536649

Name of company

*insert full name
of company

*HomeSelect Limited (the "Chargor")

Date of the covering deed (if any) (note 2) 25 January 1999

Total amount secured by the whole series £18,000,000

Date of present issue Not applicable

Amount of present issue (if any) of debentures of the series Not applicable

Dates of resolutions authorising the issue of the series 25 January 1999

Names of the trustees (if any) for the debenture holders

Not applicable

General description of the property charged

- (1) The Chargor by way of and as continuing security for the discharge of the Secured Obligations, with full title guarantee, transfers and assigns to the Chargee all of its rights, title, interest and benefit, present and future, in and to the Property Insurances and each of them and the principal sums thereby assured and all bonuses and other monies payable or to become payable under the same, to hold the same unto the Chargee absolutely.

Continue overleaf as necessary

Presentor's name address and
reference (if any):Cadwalader, Wickersham &
Taft55 Gracechurch Street
London EC3V 0EE

Ref: VTK/39032/003

Time critical reference

For official Use
Mortgage Section

Post room



(2) (a) Subject to paragraphs (b) and (c) below, the Chargor by way of and as continuing security for the discharge of the Secured Obligations, with full title guarantee, transfers and assigns to the Chargee all its rights, title, interest and benefit, present and future, in and to all sums of money which may now be or hereafter are from time to time standing to the credit of the Accounts, together with all interest accruing from time to time thereon and the debts represented by the Accounts, to hold the same unto the Chargee absolutely.

(b) The Chargee acknowledges

(i) that the Chargor has no legal right or title to the Collection Account or the Tenants' Deposit Account or any sums of money from time to time standing to the credit thereof or the debts represented thereby (all of which are, so far as the Chargor is aware, vested in Black Horse); and

(ii) that the Chargor's beneficial interest in the Tenants' Deposit Account and in any sum of money from time to time standing to the credit thereof or the debts represented thereby is limited to such amounts, if any, as the Chargor may from time to time be entitled to under the terms of its tenancy agreements with its tenants and under the terms of the trust, security or other arrangements under which Black Horse operates the Tenants' Deposit Account; and

(iii) the provisions of Clause 5.1 of the Deed and the right of Black Horse to use the monies for the time being credited to the Collection Account as therein provided.

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

Nil

Signed (See over)

Date

On behalf of chargee

†delete as
appropriate

Notes

1 Particulars should be given on this form of a series of debentures containing (or giving by reference to any other instrument, any charge to the benefit of which the debenture holders of the series are entitled *pari passu*. This form is to be used for registration of particulars of the entire series, and may also be used when an issue of debentures is made at the same time as the series of debentures is created. All issues of debentures made after the registration of the series with the Registrar of Companies should be notified to the Registrar on Form No. 397a.

2 The date should be given of the covering deed (if any) by which the security is created or defined

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 The deed (if any) containing the charge must be delivered with these particulars correctly completed, to the Registrar within 21 days after its execution. If there is no such deed, one of the debentures must be so delivered within 21 days after the execution of any debenture of the series.

5 If the spaces in this form are insufficient, the particulars may be continued on a separate sheet.

6 The address of the Registrar of

Companies is:-
Mortgage Section
PO Box 716
Companies House
Crown Way
Cardiff CF4 3YA

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- (c) Notwithstanding the security created by or pursuant to the Deed, the Chargee consents to any withdrawals made by the Chargor from the Current Account and the Deposit Account provided that the same are made in accordance with Clause 5 of the Deed.
- (3) The Chargor by way of and as continuing security for the discharge of the Secured Obligations, transfers and assigns to the Chargee all of its right, title, interest and benefit, present and future, in and to:
- (a) in the case of the Insurance Policies (other than the Property Insurances), any and all proceeds and receipts in respect thereof; and
- (b) in the case of any causes or rights of action of the Chargor against any person in connection with any report, valuation, opinion, certificate or other statement of fact or opinion given in connection with any Property, any and all proceeds thereunder or in respect thereof,
- in each case net of all costs and expenses incurred in recovering such proceeds and receipts, to hold the same unto the Chargee absolutely. The Chargee acknowledges that the Chargor shall only be obliged to take such action by way of making and pursuing claims under such Insurance Policies and/or enforcing such causes or rights of action as the Chargor from time to time considers reasonable.
- (4) The Chargor, by way of further security for the payment or discharge of the Secured Obligations with, in the case of the Properties, full title guarantee subject to such encumbrances (if any) as are disclosed in the Report on Title with respect to any

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General description of the property charged (continued)

Property, charges by way of first floating charge to the Chargee the whole of its undertaking and all its property and assets, present and future, except for the assets specifically secured by means of fixed charge or otherwise assigned as security by Clause 3 of the Deed.

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- (5) For the avoidance of doubt it is confirmed that references in the Deed to Property Insurances and related items include those which are hereafter assigned or transferred to or otherwise acquired by the Chargor and that the security created by Clauses 3.1 to 3.3 (both inclusive) of the Deed are, and are intended to be, fixed assignments by way of security of, or fixed charges over (as the case may be), the items to which they relate, both present and future acquired.
- (6) Subject to Clause 4.2 of the Deed, the Chargor agrees that:
- (a) other than in the ordinary course of its business, it shall not sell or dispose of or let the Properties; and
 - (b) other than by the entry into of or in accordance with the NIF Documents and the Origination Documents, it shall not mortgage or charge the Properties or assign, mortgage, charge or factor the cash receipts or payments due to it from time to time in respect of any tenancies granted in relation to the Properties,
- without in either case the prior written consent of the Chargee, and that without such consent any purported transaction made otherwise than as aforesaid shall be incapable of taking effect.
- (7) Notwithstanding the assignments contained in Clauses 3.1, 3.2 and 3.3 of the Deed,

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

Nil

Signed (See over)

Date

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General description of the property charged (continued)

prior to the date on which the Chargee properly serves an Enforcement Notice on the Chargor, the Chargee shall permit the Chargor to, and the Chargor shall:

- (a) apply the proceeds of any claim under any of the Property Insurances in or towards reinstatement or, as the case may be, repair of the Property in relation to which such claim under the relevant Property Insurance has been made;
- (b) apply the proceeds of any claim under any of the Insurance Policies (other than the Property Insurances) in or towards satisfaction, discharge, repayment or reimbursement of the loss, cost, charge, expense or liability (or the provision thereof) in respect of which such claim was made under the relevant Insurance Policy; and
- (c) apply such monies as the Chargor is entitled to from time to time from the Tenants' Deposit Account in discharging and/or making good the liabilities, breaches, damage or injury on the part of the relevant tenants which gives rise to the right on the part of the Chargor to claim such monies.

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Please complete legibly, preferably in black type, or bold block lettering.

Negative Pledge:

The Chargor hereby covenants and undertakes that, for so long as any of the Secured Obligations remain outstanding, without the prior written consent of the Chargee, it shall not create or permit to subsist any Encumbrance over all or any of its present or future revenues or assets other than a Permitted Encumbrance.

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

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General description of the property charged (continued)

Definitions:

"Accounts" means the Current Account, the Deposit Account, the Collection Account and the Tenants' Deposit Account;

"Account Bank" means Lloyds Bank plc, 39 Threadneedle Street, London EC2R 8AU;

"Black Horse" means Black Horse Residential Limited;

"Charged Property" means the whole of the undertaking of the Chargor and all of its property, assets, rights and interests whatsoever and wheresoever situate, present and future for the time being held as security (whether fixed or floating) under the Deed;

"Collection Account" means the trust account in the name of Black Horse at Lloyds Bank plc, City Office, 72 Lombard Street, London EC3 3BT, account number 1025657 ("BHCPS Client Account No. 11 Rent Account re HomeSelect Trading");

"Current Account" means the bank account of the Chargor at the Account Bank, sort code 30-00-09, account number 0855027;

"Deposit Account" means the bank account of the Chargor at the Account Bank, sort code 30-00-09, account number 0571681;

"Encumbrance" means (a) a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person, (b) any arrangement under which money standing to the credit of or claims to, or the benefit of, a bank or other account may be blocked or held back in order

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

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General description of the property charged (continued)

then or thereafter to be applied, set-off or made subject to a combination of accounts so as to effect payment of sums owed or payable to any person or (c) any other type of preferential arrangement (including title transfer and retention arrangements) having a similar effect;

"Enforcement Notice" means a notice given by the Chargee and (if applicable) the other holder(s) of Notes pursuant to Condition 6 of the Notes declaring, *inter alia*, the Notes to be immediately due and repayable and declaring the Chargee's intention to enforce the security constituted by or pursuant to the Deed;

"Fixtures" means, in relation to any freehold or leasehold property charged by or pursuant to the Deed, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time thereon owned by the Chargor;

"Insurance Policies" means the residential lettings insurance policy and the leasehold property contingency indemnity insurance policy and any other insurance policy entered into by the Chargor from time to time in respect of its business pursuant to Clause 6.2(j) of the Note Issuance Facility Deed;

"NIF Documents" means those documents listed in Schedule 6 of the Note Issuance Facility Deed;

"Origination Documents" means those documents listed in Schedule 7 of the Note Issuance Facility Deed;

"Permitted Encumbrance" means:

- (a) any Encumbrance subsisting under or in connection with the Security Documents;

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General description of the property charged (continued)

- (b) if it is an Encumbrance, any right of set-off arising by operation of law or in the ordinary course of business;
- (c) any lien arising by operation of law or in the ordinary course of business in respect of any obligation which is less than 90 days overdue or which is being contested in good faith and by appropriate means;
- (d) any Encumbrance arising out of retention of title provisions in a supplier's standard conditions of supply in respect of goods acquired by the Chargor in the ordinary course of business; or
- (e) any agreement entered into by the Chargor in the ordinary course of business under which it is to sell or otherwise dispose of any asset on terms whereby such asset is or may be leased to, or re-acquired or acquired by, the Chargor;

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"Properties" means the freehold or leasehold residential property in England and/or Wales beneficially owned or acquired by the Chargor and **"Property"** shall be construed accordingly;

"Property Insurances" means Local Authority Search Indemnity Insurance Policy, Residential Lettings Insurance Policy, Defective Title Insurance Policy, Restrictive Covenant Indemnity Insurance Policy and Leasehold Property Contingency Indemnity Insurance Policy;

"Report on Title" means in respect of any Property a duly completed and signed unqualified solicitor's report on title in all material respects in the form annexed to the Note Issuance Facility Deed confirming that the Chargor has good and marketable title to the Property except in respect of a qualification in respect of a matter which is the subject of insurance cover under

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

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Signed (See over)

Date

On behalf of chargee

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General description of the property charged (continued)

the Insurance Policies or which would not be reasonably expected by a prudent purchaser of property to have a material and adverse effect on the value of the Property;

"Security Documents" means those documents listed in Schedule 8 to the Note Issuance Facility Deed;

"Tenants' Deposit Account" means the trust account in the name of Black Horse at Lloyds Bank plc, City Office, 72 Lombard Street, London, EC3 3BT, account number 1025819 ("BHCPS Client Account No. 12 Rent Account re HomeSelect Trading").

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

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Signed

Cedwalader, Wickersham & Taft Date 3. ii. 99

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FILE COPY



**CERTIFICATE OF THE REGISTRATION
OF A SERIES OF DEBENTURES**

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

COMPANY No. 03536649

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SERIES OF DEBENTURES CREATED BY HOMeselect LIMITED AND SECURING OR INTENDING TO SECURE £18000000 WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 3rd FEBRUARY 1999.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 8th FEBRUARY 1999.

L. E. Nichols
LINDSAY E. NICHOLS

for the Registrar of Companies

A COPY OF THIS CERTIFICATE OF REGISTRATION IS REQUIRED BY SECTION 402(1) OF THE ACT TO BE ENDORSED ON EVERY DEBENTURE WHICH IS ISSUED BY THE COMPANY AND THE PAYMENT OF WHICH IS SECURED BY THE CHARGE SO REGISTERED.



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