



Registration of a Charge

Company name: **VALLEY HOUSE**

Company number: **03593394**



X8L075GZ

Received for Electronic Filing: **24/12/2019**

Details of Charge

Date of creation: **19/12/2019**

Charge code: **0359 3394 0001**

Persons entitled: **SOCIAL AND SUSTAINABLE HOUSING LP (ACTING THROUGH ITS
GENERAL PARTNER, SOCIAL AND SUSTAINABLE CAPITAL LLP)**

Brief description:

Contains floating 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 SAVE FOR MATERIAL REDACTED PURSUANT
TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC
COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION
FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

MILBANK LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3593394

Charge code: 0359 3394 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 19th December 2019 and created by VALLEY HOUSE was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 24th December 2019 .

Given at Companies House, Cardiff on 30th December 2019

The above information was communicated by electronic means and authenticated
by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

DATED 19 December 2019

**(1) VALLEY HOUSE
(as the Chargor)**

in favour of

**(2) SOCIAL AND SUSTAINABLE HOUSING LP (acting through its
general partner, SOCIAL AND SUSTAINABLE CAPITAL LLP)
(as the Lender)**

FLOATING CHARGE OVER RENT ACCOUNT

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THIS DEED is dated 19 December 2019 and made between:

- (1) **VALLEY HOUSE**, incorporated and registered in England and Wales with company number 03593394 whose registered office is at 55-57 Bell Green Road, Coventry, West Midlands, CV6 7GQ (the "**Chargor**"); in favour of
- (2) **SOCIAL AND SUSTAINABLE HOUSING LP (acting through its general partner, SOCIAL AND SUSTAINABLE CAPITAL LLP)**, registered in England and Wales with registered number LP020156 whose registered office is at 4th Floor, Reading Bridge House, George Street, Reading, RG1 8LS as lender (the "**Lender**").

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in the Facility Agreement shall, unless otherwise defined in this Deed, have the same meaning when used in this Deed and in addition:

Borrower has the meaning given to it in the Facility Agreement.

Charged Property means all the assets and undertakings of the Chargor which from time to time are the subject of the security created or expressed to be created in favour of the Lender by or pursuant to this Deed.

Charges means all or any of the Security created or expressed to be created by or pursuant to this Deed.

Collateral Rights means all rights, powers and remedies of the Lender provided by or pursuant to this Deed or by law.

Enforcement Event means an Event of Default which is continuing.

Event of Default has the meaning given to it in the Facility Agreement.

Facility Agreement means the facility agreement dated on or about the date of this Deed and made between (1) the Chargor as the borrower and (2) the Lender as the lender as amended, varied, novated or supplemented from time to time.

LPA means the Law of Property Act 1925.

Receiver means a receiver or receiver and manager or (where permitted by law) administrative receiver of the whole or any part of the Charged Property and that term will include any appointee made under a joint and/or several appointment.

Related Rights means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;

- (b) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that asset; and
- (c) any monies and proceeds paid or payable in respect of that asset.

Rent Account means any credit balance from time to time on the account maintained by the Chargor with Barclays Bank UK Plc with account number [REDACTED] and sort code 20-23-60 (and any replacement account or subdivision or sub-account of that account) and all Related Rights.

Secured Obligations means all obligations covenanted to be discharged by the Chargor in Clause 2.1 (*Covenant to pay*).

Secured Parties means the Lender and any Receiver (or delegate of any Receiver pursuant to the exercise of powers under Clause 22.2 (*Delegation*)).

Security has the meaning given to it in the Facility Agreement.

Security Documents has the meaning given to it in the Facility Agreement.

1.2 Interpretation

In this Deed:

- 1.2.1 any reference to the "**Lender**", the "**Chargor**", the "**Secured Parties**" or any other person shall be construed so as to include its or their (and any subsequent) successors and any permitted transferees in accordance with their respective interests; and
- 1.2.2 (unless otherwise stated) references in this Deed to any Clause or Schedule shall be to a clause or schedule contained in this Deed.

1.3 Third party rights

- 1.3.1 Unless expressly provided to the contrary in this Deed a person who is not a party hereto has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.
- 1.3.2 Notwithstanding any term of this Deed, the consent of any person who is not a party hereto is not required to rescind or vary this Deed at any time.
- 1.3.3 Any Receiver may, subject to this Clause 1.3 and the Contracts (Rights of Third Parties) Act 1999, rely on any term of this Deed which expressly confers rights on it.

1.4 Deed

It is intended that this Deed takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

2. PAYMENT OF SECURED OBLIGATIONS

2.1 Covenant to pay

The Chargor hereby covenants with the Lender that it shall discharge all obligations, as and when they fall due in accordance with their terms, which the Borrower may at any time have to the Lender or any of the other Secured Parties under or pursuant to the Finance Documents (including this Deed) including any liabilities in respect of any further advances made under the Finance Documents, whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or as surety or in some other capacity). The Chargor shall pay to the Lender when due and payable every sum at any time owing, due or incurred by the Borrower to the Lender or any of the other Secured Parties in respect of any such liabilities, **provided that** neither such covenant nor the security constituted by this Deed shall extend to or include any liability or sum which would, but for this proviso, cause such covenant or security to be unlawful or prohibited by any applicable law.

2.2 Interest on demands

If the Chargor fails to pay any sum on the due date for payment of that sum the Chargor shall pay interest on any such sum (before and after any judgment and to the extent interest at a default rate is not otherwise being paid on such sum) from the due date for payment until the date of actual payment calculated on a daily basis at the rate determined by and in accordance with the provisions of clause [10.2] (*Events of Default*) of the Facility Agreement.

3. FLOATING CHARGE

3.1 Floating charge

3.1.1 The Chargor hereby charges with full title guarantee in favour of the Lender as security for the payment and discharge of the Secured Obligations by way of first floating charge all the Chargor's right, title and interest from time to time in and to, in each case both present and future, the Rent Account.

3.1.2 The floating charge created by this Clause 3.1 shall be deferred in point of priority to all fixed security validly and effectively created by the Chargor under the Finance Documents in favour of the Lender as security for the Secured Obligations.

3.1.3 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to this Clause 3.1.

4. CRYSTALLISATION OF FLOATING CHARGE

4.1 Crystallisation: by notice

The Lender may at any time by notice in writing to the Chargor convert the floating charge created by Clause 3.1 (*Floating charge*) with immediate effect into a fixed charge as regards any property or assets specified in the notice if:

- 4.1.1 an Event of Default has occurred which is continuing; or
- 4.1.2 the Lender reasonably considers that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or
- 4.1.3 the Lender reasonably considers that it is necessary in order to protect the priority of the security.

4.2 Crystallisation: automatic

Notwithstanding Clause 4.1 (*Crystallisation: by notice*) and without prejudice to any law which may have a similar effect, the floating charge will automatically be converted (without notice) with immediate effect into a fixed charge as regards all the assets subject to the floating charge if:

- 4.2.1 the Chargor creates or attempts to create any Security (other than any security created pursuant to the Security Documents or permitted under the Facility Agreement) over any of the Charged Property; or
- 4.2.2 the Chargor disposes or attempts to dispose of all or any of the Charged Assets (other than as expressly permitted under the Facility Agreement); or
- 4.2.3 any person levies or attempts to levy any distress, execution or other process or seizes any goods pursuant to any rent arrears recovery process, against any of the Charged Property which is not discharged within two Business Days; or
- 4.2.4 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Chargor or an administrator is appointed to the Chargor; or
- 4.2.5 any person (who is entitled to do so) gives notice of its intention to appoint an administrator to the Chargor or files such a notice with the court.

5. PERFECTION OF SECURITY

5.1 Notices of charge: Rent Account

The Chargor shall, immediately following execution of this Deed and promptly upon the request of the Lender from time to time, in respect of the Rent Account, promptly deliver to the Lender (or procure delivery of) a notice of charge in the form set out in Schedule 1 (*Form of Notice of Charge of the Rent Account*) or such other form as the Lender shall

agree or require duly executed by or on behalf of the Chargor and shall use all reasonable endeavours to ensure that such notice is acknowledged by the relevant bank or financial institution with which the Rent Account is opened or maintained.

6. FURTHER ASSURANCE

6.1 Necessary action

The Chargor shall at its own expense take all such action as is available to it (including making all filings and registrations) as the Lender, any Receiver or administrator may properly consider expedient for the purpose of the creation, perfection, protection, confirmation or maintenance of any security created or intended to be created in favour of the Lender, any Receiver or administrator by or pursuant to this Deed.

6.2 Consent of third parties

The Chargor shall use all reasonable endeavours to obtain (in form and content reasonably satisfactory to the Lender) as soon as possible any consents necessary to enable the assets of the Chargor to be the subject of an effective charge pursuant to Clause 3 (*Floating charge*) and, immediately upon obtaining any such consent, the asset concerned shall become subject to such security and the Chargor shall promptly deliver a copy of each consent to the Lender.

6.3 Implied covenants for title

The obligations of the Chargor under this Deed shall be in addition to the covenants for title deemed to be included in this Deed by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994.

6.4 Value of security

The Chargor shall not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value of the security created or intended to be created by this Deed.

7. NEGATIVE PLEDGE AND DISPOSALS

7.1 Security

The Chargor shall not (and shall not agree to) at any time during the subsistence of this Deed, create or permit to subsist any Security over all or any part of the Charged Property other than security created pursuant to the Security Documents except as permitted by the Facility Agreement or with the prior written consent of the Lender.

7.2 No disposal of interests

The Chargor shall not (and shall not agree to) at any time during the subsistence of this Deed, except as permitted pursuant to the Facility Agreement:

- 7.2.1 execute any transfer or assignment of all or any part of the Charged Property;
or
- 7.2.2 create any legal or equitable estate or other interest in, or over, or otherwise relating to, all or any part of the Charged Property; or
- 7.2.3 assign or otherwise dispose of any interest in the Rent Account and no right, title or interest in relation to the Rent Account maintained with the Lender, or the credit balance standing to the Rent Account shall be capable of assignment or other disposal.

8. THE RENT ACCOUNT

8.1 Rent Account: notification and variation

The Chargor, during the subsistence of this Deed:

- 8.1.1 shall promptly deliver to the Lender on the date of this Deed (and, if any change occurs thereafter, on the date of such change), details of the Rent Account maintained by it with any bank or financial institution;
- 8.1.2 shall maintain the Rent Account; and
- 8.1.3 shall not, without the Lender's prior written consent, such consent not to be unreasonably withheld or delayed (save where there would be in the Lender's reasonable opinion a materially adverse effect on the security created under any Finance Document), permit or agree to any variation of the rights attaching to the Rent Account or close the Rent Account.

8.2 Rent Account: operation before an Enforcement Event

Prior to the occurrence of an Enforcement Event, the Chargor shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on the Rent Account, subject to the terms of the Facility Agreement.

8.3 Rent Account: operation after an Enforcement Event

After the occurrence of an Enforcement Event, the Chargor shall not be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on the Rent Account except with the prior consent of the Lender.

8.4 Rent Account: application of monies

Upon the occurrence of an Enforcement Event or this security otherwise becoming enforceable pursuant to Clause 9.1 (*Enforcement*), the Lender shall be entitled without notice to apply, transfer or set off any or all of the credit balances from time to time on the Rent Account in or towards the payment or other satisfaction of all or part of the Secured Obligations in accordance with Clause 13 (*Application of monies*).

8.5 Rent Account: representations

The Chargor represents to the Lender on the date of this Deed and on each day prior to the release of the security constituted by this Deed in accordance with Clause 17.1 (*Redemption of security*) that:

- 8.5.1** the Rent Account is the subject of an appropriate mandate in form and content reasonably satisfactory to the Lender which shall be irrevocable until such time as each of the Lender and the Chargor shall otherwise agree;
- 8.5.2** no party (other than the Lender) has any rights of set-off or counterclaim in respect of the Rent Account; and
- 8.5.3** none of the Accounts is the subject of any claim, assertion, right, action or other restriction or arrangement of whatever nature which does or may impinge upon the ownership of the Rent Account by the Chargor.

9. ENFORCEMENT OF SECURITY

9.1 Enforcement

At any time after the occurrence of an Enforcement Event, or if the Chargor requests the Lender to exercise any of its powers under this Deed, or if a petition or application is presented for the making of an administration order in relation to the Chargor, or if any person who is entitled to do so gives written notice of its intention to appoint an administrator of the Chargor or files such a notice with the court, the security created by or pursuant to this Deed is immediately enforceable and the Lender may, without notice to the Chargor or prior authorisation from any court, in its absolute discretion:

- 9.1.1** enforce all or any part of that security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Charged Property and the Lender (or its nominee(s)) shall have an immediate and absolute power of sale or other disposition over the Charged Property; and
- 9.1.2** whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by the LPA (as varied or extended by this Deed) on mortgagees and by this Deed on any Receiver or otherwise conferred by law on mortgagees or Receivers.

9.2 No liability as mortgagee in possession

Neither the Lender nor any of its nominees nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect, default or omission in connection with the Charged Property to which a mortgagee or mortgagee in possession might otherwise be liable.

9.3 Right of appropriation

To the extent that any of the Charged Property constitutes "financial collateral" and this Deed and the obligations of the Chargor hereunder constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the "**Regulations**")) the Lender shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations. For this purpose, the parties agree that the value of such financial collateral so appropriated shall be, in the case of cash, the amount standing to the credit of the Rent Account, together with any accrued but unposted interest, at the time the right of appropriation is exercised. The parties agree that the method of valuation provided for in this Deed shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

9.4 Effect of moratorium

The Lender shall not be entitled to exercise its rights under Clause 9.1 (*Enforcement*), Clause 11.1 (*Appointment and removal*) (other than Clause 11.1.5) or Clause 4 (*Crystallisation of floating charge*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining or taking steps to obtain a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

10. EXTENSION AND VARIATION OF THE LPA

10.1 Extension of powers

The power of sale or other disposal conferred on the Lender, its nominee(s) and any Receiver by this Deed shall operate as a variation and extension of the statutory power of sale under Section 101 of the LPA and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Deed.

10.2 Restrictions

The restrictions contained in Sections 93 and 103 of the LPA shall not apply to this Deed or to the exercise by the Lender of its right to consolidate all or any of the Charges with any other Security in existence at any time or to its power of sale, which powers may be exercised by the Lender without notice to the Chargor on or at any time after the occurrence of an Enforcement Event.

10.3 Transfer of Security

10.3.1 At any time after the occurrence of an Enforcement Event, the Lender may:

- (a) redeem any prior Security against any Charged Property; and/or
- (b) procure the transfer of any such Security to itself; and/or

- (c) settle and pass the accounts of the prior mortgagee or chargee; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.

10.3.2 The Chargor shall pay to the Lender immediately on demand the costs and expenses incurred by the Lender in taking any action contemplated by Clause 10.3.1, including the payment of any principal or interest.

10.4 Suspense account

If the Charges are enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Lender (or any Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

11. APPOINTMENT OF RECEIVER OR ADMINISTRATOR

11.1 Appointment and removal

After the occurrence of an Enforcement Event, or if a petition or application is presented for the making of an administration order in relation to the Chargor, or if any person who is entitled to do so gives written notice of its intention to appoint an administrator of the Chargor or files such a notice with the court or if requested to do so by the Chargor, the Lender may by deed or otherwise (acting through an authorised officer of the Lender), without prior notice to the Chargor:

- 11.1.1** appoint one or more persons to be a Receiver of the whole or any part of the Charged Property;
- 11.1.2** appoint two or more Receivers of separate parts of the Charged Property;
- 11.1.3** remove (so far as it is lawfully able) any Receiver so appointed;
- 11.1.4** appoint another person(s) as an additional or replacement Receiver(s); and
- 11.1.5** appoint one or more persons to be an administrator of the Chargor.

11.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 11.1 (*Appointment and removal*) shall be:

- 11.2.1** entitled to act individually or together with any other person appointed or substituted as Receiver;
- 11.2.2** for all purposes deemed to be the agent of the Chargor which shall be solely responsible for their acts, defaults and liabilities and for the payment of their remuneration and no Receiver shall at any time act as agent for the Lender; and

- 11.2.3** entitled to remuneration for their services at a rate to be fixed by the Lender from time to time (without being limited to the maximum rate specified by the LPA).

11.3 Statutory powers of appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Lender under the LPA (as extended by this Deed) or otherwise and such powers shall remain exercisable from time to time by the Lender in respect of any part of the Charged Property. Except as provided in Clause 9.4 (*Effect of moratorium*), any restriction imposed by law on the right of a mortgagee to appoint a receiver (including under section 109(1) of the LPA) does not apply to this Deed.

12. POWERS OF RECEIVER

Every Receiver shall (subject to any restrictions in the instrument appointing them but notwithstanding any winding-up or dissolution of the Chargor) have and be entitled to exercise, in relation to the Charged Property (and any assets of the Chargor which, when got in, would be Charged Property) in respect of which the Receiver was appointed, and as varied and extended by the provisions of this Deed (in the name of or on behalf of the Chargor or in their own name and, in each case, at the cost of the Chargor):

- 12.1.1** all the powers conferred by the LPA on mortgagors and on mortgagees in possession and on receivers appointed under the LPA;
- 12.1.2** all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- 12.1.3** all the powers and rights of an absolute owner and power to do or omit to do anything which the Chargor itself could do or omit to do; and
- 12.1.4** the power to do all things (including bringing or defending proceedings in the name or on behalf of the Chargor) which seem to the Receiver to be incidental or conducive to (a) any of the functions, powers, authorities or discretions conferred on or vested in them or (b) the exercise of the Collateral Rights (including realisation of all or any part of the Charged Property) or (c) bringing to their hands any assets of the Chargor forming part of, or which when got in would be, Charged Property.

13. APPLICATION OF MONIES

All monies received or recovered by the Lender, its nominee(s) or any Receiver pursuant to this Deed or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the LPA) be applied first in the payment of the costs, charges and expenses incurred and payments made by the Receiver, the payment of their remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of their powers, and thereafter shall

be applied by the Lender (notwithstanding any purported appropriation by the Chargor) in the payment of amounts payable pursuant to the Facility Agreement.

14. PROTECTION OF PURCHASERS

14.1 Consideration

The receipt of the Lender, its nominee(s) or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Property or making any acquisition, the Lender, its nominee(s) or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

14.2 Protection of purchasers

No purchaser or other person dealing with the Lender, its nominee(s) or any Receiver shall be bound to inquire whether the right of the Lender, such nominee(s) or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Lender, such nominee(s) or such Receiver in such dealings.

15. POWER OF ATTORNEY

15.1 Appointment and powers

The Chargor by way of security irrevocably appoints the Lender and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required for:

15.1.1 carrying out any obligation imposed on the Chargor by this Deed (including the completion, execution and delivery of any deeds, charges, assignments or other security and any transfers of the Charged Property); and

15.1.2 enabling the Lender and any Receiver to exercise, or delegate the exercise of, any of the rights, powers, authorities and discretions conferred on them by or pursuant to this Deed or by law (including the exercise of any right of a legal or beneficial owner of the Charged Property) and (without prejudice to the generality of the foregoing) to execute as a deed or under hand and deliver and otherwise perfect any deed, assurance, agreement, instrument or act which it may reasonably deem proper in or for the purpose of exercising any of such rights, powers, authorities and discretions,

Provided such attorney complies with all relevant charity legislation and regulations.

15.2 Exercise of power of attorney

The Lender may only exercise the power of attorney granted pursuant to Clause 15.1 (*Appointment and powers*) following:

- 15.2.1 the occurrence of an Event of Default which is continuing; or
- 15.2.2 the failure by the Chargor to comply with any further assurance or perfection of security obligations required by the terms of this Deed within five Business Days of such further assurance or perfection of security obligation arising.

15.3 Ratification

The Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of their powers.

15.4 Lender's power to remedy breaches

If at any time the Chargor fails to perform any of the covenants contained in this Deed it shall be lawful for the Lender, but the Lender shall have no obligation, to take such action on behalf of the Chargor (including, without limitation, the payment of money) as may in the Lender's reasonable opinion be required to ensure that such covenants are performed. Any losses, costs, charges and expenses incurred by the Lender in taking such action shall be reimbursed by the Chargor on demand.

16. EFFECTIVENESS OF SECURITY

16.1 Continuing security

16.1.1 The Charges shall remain in full force and effect as a continuing security for the Secured Obligations unless and until the Secured Obligations have been irrevocably and unconditionally discharged in full and the Finance Parties have no further obligation to make any advance available to the Borrower pursuant to any Finance Document.

16.1.2 No part of the security from time to time intended to be constituted by this Deed will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

16.2 Cumulative rights

The Charges and the Collateral Rights shall be cumulative, in addition to and independent of every other security which the Lender or any Secured Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law. No prior security held by the Lender (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Charged Property shall merge into the security constituted by this Deed.

16.3 Remedies and waivers

No failure on the part of the Lender to exercise, or any delay on its part in exercising, any Collateral Right shall operate as a waiver of that Collateral Right, nor shall any single or partial exercise of any Collateral Right preclude any further or other exercise of that or any other Collateral Right.

16.4 No liability

None of the Lender, its nominee(s) or any Receiver shall be liable by reason of (a) taking any action permitted by this Deed or (b) any neglect or default in connection with the Charged Property or (c) taking possession of or realising all or any part of the Charged Property.

16.5 Partial invalidity

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

16.6 Immediate recourse

The Chargor waives any right it may have of first requiring any Secured Party (or the Lender or agent on its behalf) to proceed against the Chargor or any other person or enforce any other rights or security or claim payment from any person before claiming from the Chargor under this Deed. This waiver applies irrespective of any law or any provision of this Deed to the contrary.

16.7 Chargor intent

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 of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

17. RELEASE OF SECURITY

17.1 Redemption of security

Upon the Secured Obligations being irrevocably and unconditionally discharged in full and none of the Secured Parties being under any further actual or contingent obligation to make advances or provide other financial accommodation to the Chargor or any other person under any of the Finance Documents, the Lender shall, at the request and cost of the Chargor, release and cancel the security constituted by this Deed and procure the reassignment to the Chargor of the property and assets assigned to the Lender pursuant

to this Deed, in each case subject to Clause 17.2 (*Avoidance of payments*) and without recourse to, or any representation or warranty by, the Lender or any of its nominees.

17.2 Avoidance of payments

If the Lender considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws the liability of the Chargor under, and the security created by, this Deed shall continue and such amount shall not be considered to have been irrevocably paid.

18. SET-OFF

The Chargor authorises the Lender (but the Lender shall not be obliged to exercise such right) to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by the Lender to the Chargor and apply any credit balance to which the Chargor is entitled on any account with the Lender in accordance with Clause 13 (*Application of monies*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

19. SUBSEQUENT SECURITY INTERESTS

If the Lender (acting in its capacity as trustee or otherwise) or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent Security affecting all or any part of the Charged Property or any assignment or transfer of the Charged Property which is prohibited by the terms of this Deed or the Facility Agreement, all payments made thereafter by or on behalf of the Chargor to the Lender (whether in its capacity as trustee or otherwise) or any of the other Secured Parties shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations as at the time when the Lender received such notice.

20. ASSIGNMENT

The Lender may assign and transfer all or any of its rights and obligations under this Deed to any person it assigns its rights under the Facility Agreement to. The Lender shall be entitled to disclose such information concerning the Chargor and this Deed as the Lender considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law but such disclosure shall only be in accordance with the Facility Agreement.

21. NOTICES

The provisions of clause 15.3 (*Miscellaneous*) of the Facility Agreement shall apply to this Deed.

22. DISCRETION AND DELEGATION

22.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Deed by the Lender or any Receiver may, subject to the terms and conditions of the Facility Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

22.2 Delegation

Each of the Lender and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Deed (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise any subsequent delegation or any revocation of such power, authority or discretion by the Lender or the Receiver itself. Neither the Lender nor any Receiver shall be in any way liable or responsible to the Chargor for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

23. 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.

24. GOVERNING LAW

This Deed and all matters including non-contractual obligations arising out of or in connection with it are governed by English law.

25. JURISDICTION OF ENGLISH COURTS

25.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of, or connected with this Deed (including a dispute regarding the existence, validity or termination of this Deed or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Deed) (a "**Dispute**").

25.2 The parties to this Deed agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

25.3 Notwithstanding Clause 25.1 above, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Lender may take concurrent proceedings in any number of jurisdictions.

THIS DEED has been signed on behalf of the Lender and executed as a deed by the Chargor and is delivered by it on the date specified above.

SCHEDULE 1
FORM OF NOTICE OF CHARGE OF THE RENT ACCOUNT

To: Barclays Bank UK Plc

1 Churchill Place

London E14 5HP

Date: [●]

Dear Sirs

Re: Valley House – Security over Bank Account

Name of Account	Account number and sort code
Valley House Limited Number Two	 20-23-60

We hereby give you notice that we have charged to Social and Sustainable Housing LP (acting through its general partner, Social and Sustainable Capital LLP) (the "**Lender**") pursuant to a floating charge entered into by us in favour of the Lender dated [●] 2019 all of our right, title and interest in and to the accounts with you listed above (together, the "**Accounts**"), including all monies from time to time standing to the credit of such Accounts and the debts represented thereby.

We hereby irrevocably instruct and authorise you:

1. to credit to each Account all interest from time to time earned on the sums of money held in that Account;
2. to disclose to the Lender, without any reference to or further authority from us and without any liability or inquiry by you as to the justification for such disclosure, such information relating to the Accounts and the sums in each Account as the Lender may request you to disclose to it, and following receipt by you of a written notice from the Lender that an Enforcement Event" has occurred:
 - 2.1 to hold all sums from time to time standing to the credit of each Account to the order of the Lender;
 - 2.2 to pay or release all or any part of the sums from time to time standing to the credit of each Account only in accordance with the written instructions of the Lender; and
 - 2.3 to comply with the terms of any written notice or instructions in any way relating to the Accounts or the sums standing to the credit of any Account from time to time which you may receive at any time from the Lender without any reference to or further authority

from us and without any liability or inquiry by you as to the justification for or validity of such notice or instructions.

By counter-signing this notice, the Lender confirms that we may make withdrawals from the Accounts in accordance with the terms of the Finance Documents until such time as the Lender notifies you in writing that an Enforcement event has occurred and that such permission is withdrawn, whereupon we will not be permitted to withdraw any amounts from any Account without the prior written consent of the Lender.

These instructions cannot be revoked or varied without the prior written consent of the Lender.

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

Please confirm your acceptance of the above instructions by returning the attached acknowledgement to the Lender at 2nd Floor, Euston House, 24 Eversholt Street, London NW1 1AD.

Yours faithfully

.....
For and on behalf of
Valley House

Counter-signed by


.....
Social and Sustainable Housing LP (acting through its general partner, Social and Sustainable Capital LLP)
The Lender

To: Social and Sustainable Housing LP
(acting through its general partner, Social and Sustainable Capital LLP)
2nd Floor, Euston House, 24 Eversholt Street, London NW1 1AD

Date: [●]

Dear Sirs

Re: Valley House – Security over Bank Account

Name of Account	Account number and sort code
Valley House Limited Number Two	 20-23-60

We confirm receipt of a notice dated [●] (the "**Notice**") from, amongst others, Valley House (the "**Company**") of a charge, upon the terms of a floating charge dated [●] 2019, over all of the Company's right, title and interest in and to in the accounts in the name of the Company with us listed above (together, the "**Accounts**"), including all monies from time to time standing to the credit of such Accounts and the debts represented thereby.

We confirm that:

1. we accept the instructions and authorisations contained in the Notice and undertake to comply with its terms;
2. we have not received notice of the interest of any third party in any Account or in the sums of money held in any Account or the debts represented by those sums and we will notify you promptly should we receive notice of any third party interest;
3. we have not claimed or exercised, nor will we claim or exercise, any Security or right of set-off, combination, consolidation, counterclaim or other right in respect of any Account, the sums of money held in any Account or the debts represented by those sums;
4. until you notify us in writing of the occurrence of an Enforcement Event and further confirm that withdrawals by the Company are prohibited, the Company may make withdrawals from the Accounts; upon receipt of such notice we will not permit any amount to be withdrawn from any Account except against the signature of one of your authorised signatories; and
5. we will not seek to modify, vary or amend the terms upon which sums are deposited in the Accounts without your prior written consent.

This letter and all matters including non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully

By:.....

For and on behalf of
Barclays Bank UK Plc

SIGNATURES

THE CHARGOR

VALLEY HOUSE

EXECUTED as a DEED

By:

)
)



Signature of Trustee

GERAULDINE PARKER BERRY WHITTINGTON

Name of Trustee

in the presence of

Signature of witness



Name of witness

LEE PETERSON

Address of witness

73 Union Lane

Concord, CA

CA 94512

Occupation of witness

OWNER OF VALLEY HOUSE

THE LENDER

SOCIAL AND SUSTAINABLE HOUSING LP (acting through its general partner, SOCIAL AND SUSTAINABLE CAPITAL LLP)

By:

)



Signature of Authorised Signatory

HERMINA POPA

Name of Authorised Signatory

PORTFOLIO MANAGER