



Registration of a Charge

Company name: **TWO RIVERS HOUSING**

Company number: **04263691**



X9HFPWW8

Received for Electronic Filing: **09/11/2020**

Details of Charge

Date of creation: **03/11/2020**

Charge code: **0426 3691 0009**

Persons entitled: **PRUDENTIAL TRUSTEE COMPANY LIMITED**

Brief description: **FLATS 1-14, 1 PARK END ROAD, GLOUCESTER, GLOUCESTERSHIRE,
GL1 5AT (TITLE NUMBER GR74879)**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT 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:

TROWERS & HAMLINS LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4263691

Charge code: 0426 3691 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 3rd November 2020 and created by TWO RIVERS HOUSING was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th November 2020 .

Given at Companies House, Cardiff on 10th November 2020

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



Companies House



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

We hereby certify this to be a true copy of the original

Dated this 4 day of November 2020

Trowers and Hamlin LLP
Trowers & Hamlin LLP

LEGAL MORTGAGE

DATED 3 November 2020

(1) TWO RIVERS HOUSING
(as Chargor)

(2) PRUDENTIAL TRUSTEE COMPANY LIMITED
(as Security Trustee)

LEGAL MORTGAGE

To: The Chief Land Registrar. Note: This Deed contains (in Clause 31 (The Land Registry)) the consent of the Chargor to the lodgement at the Land Registry of an application by or on behalf of the Security Trustee to enter a restriction in the Proprietorship Register and (in Clause 31 (The Land Registry)) the consent of the Chargor to the lodgement at the Land Registry of an application by or on behalf of the Security Trustee to enter a notice on the Charges Register.)

THIS LEGAL MORTGAGE dated 3 November 2020

BETWEEN:

- (1) **TWO RIVERS HOUSING** registered as a company limited by guarantee under the Companies Acts 1985 – 2006 with registered number 04263691, as a charity with the Charity Commission with registered number 1104723 and as a Registered Provider with the Regulator with registered number L4385 whose registered office is at Rivers Meet, Cleeve Mill Lane, Newent, Gloucestershire GL18 1DS (the "**Chargor**"); and
- (2) **PRUDENTIAL TRUSTEE COMPANY LIMITED** as trustee of the security constituted under this Deed for itself and the Beneficiaries (as defined below) (the "**Security Trustee**" which expression shall include each company and all other persons or companies acting as security trustee under this Deed).

IT IS AGREED as follows:

Interpretation

1. DEFINITIONS

1.1 In this Deed:

"Approved Tenancy Agreement"	means the form of tenancy agreement from time to time permitted by the Relevant Beneficiary under its Specified Documents or, if no requirements are specified in such Specified Documents, in substantially the form of a standard tenancy agreement of the Chargor which complies with the provisions of any guidance by the Regulator or, in respect of any tenancy agreement relating to Designated Security which does not comply with the provisions of any guidance by the Regulator, approved by the Relevant Beneficiary (acting reasonably)
"Beneficiaries"	has the meaning given to it in the Security Trust Deed
"Business Day"	has the meaning given to it in the Security Trust Deed
"Certificate of Title"	means a certificate of title in a form agreed between the Chargor and the Security Trustee
"Contamination"	means, in relation to any Mortgaged Property, the presence on or under that Mortgaged Property of any dangerous or hazardous substance which might cause more than negligible harm to the environment
"Designated Security"	has the meaning given to it in the Security Trust Deed
"Enforcement Event"	has the meaning given to it in the Security Trust Deed
"Environmental Law"	means any common or statutory law, regulation, code of practice, circular or guidance note issued or endorsed by a governmental authority of the United Kingdom or European Union, concerning the protection of human health, the workplace or the environment or dangerous or hazardous substances

"Fixtures"		means, in relation to any Mortgaged Property, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery, equipment, installations and apparatus from time to time thereon owned by the Chargor
"Greater Authority"	London	means the Greater London Authority as constituted pursuant to Part I of the Greater London Authority Act 1999
"Homes England"		means the Homes and Communities Agency constituted pursuant to Part 1 of the Housing and Regeneration Act trading as Homes England and any successor for the time being or any similar future authority carrying on any of the same grant/investment making functions (which for the purposes of this definition does not include the functions of the Regulator), and where the context so requires, reference to Homes England shall include reference to the Greater London Authority (as applicable)
"Insurances"		means all contracts and policies of insurance readily available in the market at a reasonable premium which would reasonably be expected to be taken out by a registered provider of similar size and operating in the same locality and which are from time to time taken out by or with the authority and on behalf of the Chargor or (to the extent of such interest) in which the Chargor has an interest, in each case in connection with the Mortgaged Property
"Letting Document"		means any past, present or future lease, tenancy or licence to occupy or any past, present or future agreement for any of the same from time to time granted or entered into by or binding on the Chargor in respect of the Mortgaged Property and any licence, consent or approval given thereunder
"Mortgaged Property"		means the real property legally mortgaged or charged by this Deed and any other freehold or leasehold property charged by way of fixed charge under this Deed
"Notice of Assignment"		means a notice substantially in the form set out in schedule 2 (Notice of Assignment)
"Planning Acts"		means the Town and Country Planning Acts 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004, the Housing and Planning Act 2016 and any Act or Acts for the time being in force amending or re-enacting the same and any orders, regulations or permissions (which are legally binding on the Chargor or its assets) made, issued or granted under or by virtue of such Acts or any of them
"Potential Enforcement Event"		has the meaning given to it in the Security Trust Deed

"Premises"	means all buildings and erections for the time being comprised within the definition of Security Assets
"Receiver"	means any receiver, manager or administrative receiver appointed by the Security Trustee in respect of the Chargor or any of the Security Assets
"Regulator"	means the Regulator of Social Housing established by the Legislative Reform (Regulator of Social Housing) (England) Order 2018 and any successor or successors for the time being or in each case any similar future authority carrying on any of the same regulatory/supervisory functions as the regulator of social housing or any other body exercising regulatory authority over the Chargor or any body which takes over any or all of its grant making powers and responsibilities in each case in relation to the provision of social housing
"Regulatory Framework"	means the regulatory requirements, codes of practice and regulatory guidance described in the publication entitled "What is the regulatory framework?" published by the Homes and Communities Agency on 1 April 2015, as such regulatory requirements, codes of practice and/or regulatory guidance may be amended, supplemented, varied or replaced from time to time
"Reservations"	means: <ul style="list-style-type: none"> (a) the principle that equitable remedies may be granted or refused at the discretion of the court; (b) the limitation on enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws affecting the rights affecting the rights of creditors generally; (c) the time barring of claims under the Limitations Acts; (d) the possibility that an undertaking to assume liability for, or to indemnify a person against, non-payment of UK stamp duty may be avoided; and (e) defences to set-off or counterclaim.
"Secured Obligations"	has the meaning given to it in the Security Trust Deed
"Security Assets"	means all assets, rights and property of the Chargor mortgaged or charged or assigned in Clause 3 (<i>Fixed Charges</i>) hereof including, without limitation, the Mortgaged Property

"Security Interest"	means a mortgage, charge, pledge, lien, assignment or other security interest or encumbrance of any kind or any type of preferential arrangement (including, without limitation title transfer and retention of title) which in each case is for the purpose of, or which has the effect of granting security
"Security Period"	means the period beginning on the date of this Deed and ending on the date upon which the Security Trustee is satisfied (acting reasonably) that all the Secured Obligations which have arisen or may arise have been unconditionally and irrevocably paid and discharged in full or the security created by this Deed has been unconditionally and irrevocably released and discharged
"Security Trust Deed"	means a deed dated 15 December 2016 and entered into by amongst others the Chargor and the Security Trustee (as the same may be amended, novated, replaced, restated or supplemented from time to time)
"Shared Ownership Lease"	means a shared ownership lease as defined in section 106 of the Housing Association Act 1985 where the terms of any such lease: <ul style="list-style-type: none"> (a) are imposed by statute; (b) comply with the requirements of Homes England, the Greater London Authority, the Regulatory Framework and/or any other guidance issued by the Regulator (in each case, where applicable); or (c) have been approved by the Relevant Beneficiary (or, in respect of Undesignated Security only, approved by the Security Trustee) including, in particular, any mortgagee protection provisions proposed to be inserted in any such lease
"Shared Ownership Property"	means any Mortgaged Property occupied pursuant to a Shared Ownership Lease where the Chargor holds, or will hold upon disposal on shared ownership terms by the grant of the Shared Ownership Lease, less than 100 per cent of the beneficial interest in that Mortgaged Property and the purchaser of the balance of that beneficial interest may have the right to acquire a further portion of the Chargor's retained beneficial interest
"Specified Documents"	has the meaning given to it in the Security Trust Deed
"Taxes"	includes all present and future taxes, charges, impositions, duties, levies, deductions, withholdings or fees of any kind whatsoever, or any amount payable on account of or as security for any of the foregoing, by whomsoever, on whomsoever and wherever imposed, levied, collected, withheld or assessed, together with any penalties, additions, fines, surcharges or interest relating thereto, and "Tax" and "Taxation" shall be construed accordingly

1.2 Construction

1.2.1 In this Deed unless the contrary intention appears, a reference to:

administration shall be construed as a reference to any type of administration (including but not limited to housing administration) and administrator shall be construed accordingly;

assets includes present and future properties, revenues and rights of every description;

an authorisation includes an authorisation, consent, approval, resolution, licence, exemption, filing and registration;

insolvency laws includes any administration, liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws;

a month is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding Business Day in the next calendar month except that, if there is no numerically corresponding day in the month in the next calendar month, that period shall end on the last day in that calendar month;

a receiver includes any receiver, trustee, administrator, custodian, conservator or other similar official;

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 kind that it is customary for the relevant person to comply with) of any governmental body, agency, department or regulatory, self-regulatory or other authority or organisation;

a clause or a schedule is a reference to a clause of or a schedule to this Deed;

a law is a reference to that law as re-enacted, amended or replaced;

a Relevant Document or another document is a reference to that Relevant Document or other document as amended, varied, novated or supplemented; and

a Beneficiary shall include a reference to the successors, permitted assigns or transferees (whether immediate or derivative) of such Beneficiary.

1.2.2 Unless the contrary intention appears, a term used in the Security Trust Deed or in any notice given under, or in connection with, the Security Trust Deed has the same meaning in this Deed as in the Security Trust Deed or notice.

1.2.3 Unless the context otherwise requires, a reference to the Mortgaged Property, the Premises or the Security Assets is to the whole and any part of them.

1.2.4 The index to and the headings in this Deed are for convenience only and are to be ignored in construing this Deed.

1.2.5 The terms of the documents under which the Secured Obligations arise and of any side letters between the parties to this Deed in relation thereto are incorporated herein to the extent required for any purported disposition of the Mortgaged Property contained herein to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.2.6 If the Security Trustee considers that an amount paid to the Security Trustee or any Beneficiary for application in or towards repayment of the Secured Obligations is capable of being avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise, then such amount shall not be considered to have been irrevocably paid for the purposes of this Deed.

- 1.2.7 In the event of a conflict between the terms of this Deed and terms of the Security Trust Deed in relation to the rights and obligations of the Security Trustee, the terms of the Security Trust Deed shall prevail.
- 1.2.8 In acting hereunder, the Security Trustee does so pursuant to its terms of appointment under the Security Trust Deed and is entitled to the protections set out therein.

1.3 Certificates

A certificate of the Security Trustee setting forth the amount of any Secured Obligation due from the Chargor shall be prima facie evidence of such amount against the Chargor in the absence of manifest error.

2. COVENANT TO PAY

- 2.1 The Chargor covenants with the Security Trustee for the benefit of itself and the Beneficiaries that it will pay or discharge the Secured Obligations on the due date for payment in the manner provided in the Specified Documents. Any amount not paid when due shall bear interest (as well after as before judgement and payable on demand) at a rate equal to 2 per cent. per annum over the highest interest rate for the time being payable under any of the Specified Documents from the due date until the date such amount is unconditionally and irrevocably paid and discharged in full.
- 2.2 Upon and after the occurrence of an Enforcement Event for so long as the same is continuing unremedied or unwaived but only after any applicable grace period has expired without the Enforcement Event having been remedied, the Security Trustee shall be entitled to appropriate moneys and/or assets to be applied against the Secured Obligations in accordance with Clause 13 (Application of Proceeds) and any such appropriation shall override any appropriation by the Chargor.

3. FIXED CHARGES

- 3.1 The Chargor, with full title guarantee, as security for the payment of all Secured Obligations charges in favour of the Security Trustee for the benefit of itself and the Beneficiaries:

3.1.1 by way of a first fixed legal mortgage all the property referred to in Schedule 1 (Mortgaged Properties) together with all buildings and Fixtures, erections and structures thereon or in the course of construction thereon, the proceeds of sale of all or any part thereof and (so far as the same are capable of being mortgaged) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor and any moneys paid or payable in respect of such covenants;

3.1.2 by way of first fixed charge:

- (a) all plant and machinery now or in the future owned by the Chargor and its interest in any plant and machinery in its possession which form part of or are operated on the Mortgaged Property;
- (b) all benefits in respect of the Insurances and all claims and returns of premiums in respect thereof;
- (c) the benefit of all present and future licences, consents and authorisations (statutory or otherwise) held in connection with the Mortgaged Properties and the use of any of the Security Assets specified in Clause 3.1.1 and Clause 3.1.2(a) and the right to recover and receive all compensation which may at any time become payable to it in respect thereof; and
- (d) if and insofar as the legal mortgage set forth in Clause 3.1.1 above or the assignments set out in Clause 3.2 below shall for any reason be ineffective as legal mortgages or assignments, the assets referred to in those Clauses.

3.2 The Chargor covenants that on the request of the Security Trustee, as security for payment of the Secured Obligations, it shall, following the occurrence of an Enforcement Event which has occurred and is continuing unremedied or unwaived and is not remedied within any applicable grace period, with full title guarantee assign absolutely by way of security to the Security Trustee for the benefit of itself and the Beneficiaries (to the fullest extent assignable or capable of assignment without first infringing any contractual provision restricting the same) all of its rights, title and interest in and to:

3.2.1 the personal agreements and covenants by the tenants, lessees, licensees or other parties under the Letting Documents and by all guarantors and all security held by the Chargor from time to time, whether present or future, in respect of the obligations of the tenants, lessees, licences or other parties under the Letting Documents (including, without limiting the generality of the foregoing, all moneys due and owing to the Chargor or which may become due and owing to the Chargor at any time in the future in connection with the Letting Documents and any rent arrears or service charges due at any time from any tenants, lessees, licensees or other parties under the Letting Documents regardless of whether such amounts became due before or after the date of this Deed);

3.2.2 all agreements now or from time to time entered into or to be entered into to enable the charging of the Security Assets and for the sale, letting or other disposal or realisation of the whole or any part of the Security Assets (including, without limiting the generality of the foregoing, all moneys due and owing to the Chargor or which may become due and owing to the Chargor at any time in the future);

3.2.3 all agreements, contracts, deeds, licences, undertakings, guarantees, covenants, warranties, representations and other documents (including all documents entered into now or in the future so as to enable the Chargor to perfect its rights under this Deed or any such agreement, contract, deed, licence, undertaking, guarantee, covenant, warranty, representation or other documents) now or in the future entered into by or given to the Chargor in respect of the Mortgaged Properties and all claims, remedies, awards or judgements paid or payable to the Chargor (including, without limitation, all liquidated and ascertained damages payable to the Chargor under the above) in each case relating to the Mortgaged Properties;

3.2.4 all licences held now or in the future in connection with the relevant Mortgaged Property and also the right to recover and receive all compensation which may at any time become payable to the Chargor in relation to the relevant Mortgaged Property;

3.2.5 all rights and claims to which the Chargor is now or may hereafter become entitled in relation to any development, construction project, redevelopment, refurbishment, repair or improvement of or on the relevant Mortgaged Property;

3.2.6 all guarantees, warranties, bonds and representations given or made now or in the future by, and any rights or remedies against, all or any of the designers, builders, contractors, surveyors, valuers, professional advisers, sub-contractors, manufacturers, suppliers and installers of any Fixtures in respect of the relevant Mortgaged Property; and

3.2.7 all rental income and disposal proceeds in each case relating to the relevant Mortgaged Property which has not been assigned pursuant to Clauses 3.2.1, 3.2.2 or 3.2.3 and the right to make demand for and receive the same.

4. CONTINUING SECURITY, ETC

4.1 Notices of Assignment

Following the occurrence of an Enforcement Event which is continuing unremedied or unwaived the Chargor shall deliver to the Security Trustee (or procure delivery of) a Notice of Assignment duly executed by, or on behalf of, the Chargor in respect of any asset which is the subject of an assignment pursuant to Clause 3.2 (*Fixed Charges*) promptly upon the

request of the Security Trustee from time to time and in each case shall use all reasonable endeavours to procure that each such Notice of Assignment is acknowledged by the obligor or debtor specified by the Security Trustee (substantially in the form attached to such Notice of Assignment).

4.2 Continuing security

The security constituted by this Deed shall be continuing and will extend to the ultimate balance of all sums payable by the Chargor as part of the Secured Obligations, regardless of any intermediate payment or discharge in whole or in part.

4.3 Reinstatement

1.3.2 Where any discharge (whether in respect of the obligations of the Chargor or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise without limitation, the liability of the Chargor under this Deed shall continue as if the discharge or arrangement had not occurred.

1.3.3 The Security Trustee may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

4.4 Immediate recourse

The Chargor waives any right it may have of first requiring the Security Trustee or any Beneficiary to proceed against or enforce any other rights or security or claim payment from any other person before enforcing the security constituted by this Deed.

5. ADDITIONAL SECURITY

This Deed is in addition to and is not in any way prejudiced by any other security now or in the future held by the Security Trustee or any Beneficiary.

6. MATTERS REPRESENTED

6.1 The Chargor makes the representations and warranties set out in Clause 6.2 (subject to any disclosures contained in the most recent Certificate of Title addressed to the Security Trustee and, in respect of any Designated Security, accepted by the Relevant Beneficiary in relation to a Mortgaged Property (if any)) to the Security Trustee and each Beneficiary.

6.2 Subject to any matters disclosed in the relevant Certificate of Title, the Mortgaged Property:

6.2.1 the Chargor is the legal and beneficial owner of the Mortgaged Property subject to any rights to buy or Shared Ownership Property arrangements;

6.2.2 while the Mortgaged Property has been owned by the Chargor planning permission has been obtained or is deemed to have been granted in accordance with statute for the purposes of the Planning Acts and has been complied with in respect to any development and the existing use of the Mortgaged Property and the Planning Acts and all relevant building regulations or previously relevant building bylaws have been complied with in respect of all developments, alterations and improvements to the Mortgaged Property save where such building regulations or bylaws did not apply to the owner or its predecessors (whether immediate or derivative) at the relevant time and they have also been complied with in respect of the use of the Mortgaged Property;

6.2.3 there are no covenants, agreements, stipulations, reservations, conditions, interests, rights or other matters whatsoever affecting the Mortgaged Property which materially affect or are reasonably likely materially to affect the value of the Mortgaged Property;

- 6.2.4 as far as the Chargor is aware, having made all reasonable enquiries, nothing has arisen or has been created or is subsisting which would be an overriding interest over the Mortgaged Property which materially affects or is reasonably likely materially to affect the value of the Mortgaged Property;
- 6.2.5 no facilities necessary for the enjoyment and use of the Mortgaged Property are enjoyed by the Mortgaged Property on terms entitling any person to terminate or curtail its or their use which materially affects or is reasonably likely materially to affect the value of the Mortgaged Property;
- 6.2.6 the Chargor has received no notice of any adverse claims by any person in respect of the ownership of the Mortgaged Property or any interest therein, nor has any acknowledgment been given to any person in respect thereof; and
- 6.2.7 the Mortgaged Property will from the date hereof be free from any tenancies or licences other than those permitted under the Specified Documents or in the form of an Approved Tenancy Agreement.
- 6.3 Subject to the Reservations, registration at the Land Registry and the Registrar of Companies and provided that any uncertainty over the nature of the Security Interests caused by uncertainty of law shall not give rise to a breach of this representation, this Deed creates those Security Interest it purports to create ranking as set out above and is not liable to be avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise.
- 6.4 The representations and warranties set out in this Clause 6 are made on the date of this Deed and are deemed to be repeated on same date the representations and warranties are repeated under each Relevant Document.

7. UNDERTAKINGS

7.1 Duration and with whom made

The undertakings in this Clause 7: (a) shall remain in force throughout the Security Period; and (b) are given by the Chargor to the Security Trustee and each Beneficiary.

7.2 Maintenance of Property

The Chargor will:

- 7.2.1 keep the Premises in good and tenantable repair and condition and adequately and properly painted and decorated (or procure the same, as applicable) and keep the Fixtures and all plant, machinery, implements and other effects for the time being owned by it and which are in or upon the Premises or elsewhere in a good state of repair and in good working order and condition (save for fair wear and tear) except where the Premises are subject to a development, construction, refurbishment, major repair or improvement scheme until the same is completed;
- 7.2.2 maintain insurance cover in relation to its activities and assets relating to the Mortgaged Property against such risks and in such amounts as is usual for prudent registered providers carrying on activities of the type and scale which are carried on by the Chargor and promptly, on request from the Security Trustee, provide the Security Trustee with copies of all policies and contracts of insurance which relate to the Mortgaged Property or income deriving from the Mortgaged Property together with evidence that those policies and contracts are in full force and effect and comply with the requirements of the Security Documents;
- 7.2.3 procure that a note of the Security Trustee's interest (in a manner satisfactory to the Security Trustee) is endorsed upon all policies of insurance relating to the Mortgaged Property (except where the relevant policy or policies provide for automatic noting of a mortgagee's interest and the Chargor has provided evidence of this satisfactory to the Security Trustee) which shall at any time during the

subsistence of this security be effected, maintained or held by the Chargor and use its reasonable endeavours to procure that such policies provide that the policies of insurance will not be terminated or otherwise allowed to lapse unless 14 days' prior notice is given to the Security Trustee;

- 7.2.4 not do or knowingly permit anything to be done in or upon or relating to the Mortgaged Property which may make void or voidable any Insurance;
- 7.2.5 promptly pay all premiums and do all other things necessary to keep all of the Insurances in force and, on reasonable demand by the Security Trustee, produce to the Security Trustee the policy, certificate or cover note relating to each Insurance (as requested by the Security Trustee) and of the receipt for the payment of each such premium;
- 7.2.6 pay (if it is the lessee) the rents reserved by and (in any event) perform and observe all the covenants, agreements and stipulations on the part of the Chargor contained in any lease or leases comprised within the Mortgaged Property and not to do or knowingly suffer to be done any act or thing whereby such lease or leases may become liable to forfeiture or otherwise be determined, provided that if a notice pursuant to Section 146 of the Law of Property Act 1925 is served on the Chargor, the Chargor shall promptly inform the Security Trustee;
- 7.2.7 (save to the extent that payment of the same is being contested in good faith) pay as and when the same shall become payable all Taxes, rates, duties, charges, assessments and outgoings whatsoever (whether parliamentary, parochial, local or of any other description) which shall be assessed, charged or imposed upon or payable in respect of the Mortgaged Property (but not in respect of the occupier of the Mortgaged Property where the Chargor is not the occupier);
- 7.2.8 use the Mortgaged Property only for such purpose or purposes as may for the time being be authorised as the permitted use under or by virtue of the Planning Acts and not without the prior written consent of the Security Trustee, make any application for planning permission which could reasonably be expected to have an adverse effect on the value of any Mortgaged Property or implement any planning permission so obtained;
- 7.2.9 within 7 days after the receipt by the Chargor of any application, requirement, order or notice served or given by any public or local or any other authority in relation to the Mortgaged Property where the cost of compliance with that application, requirement, order or notice when aggregated with others outstanding at that time is in excess of £100,000 (as increased by RPI from the date of this Deed), give written notice thereof to the Security Trustee and also (within seven days after demand) produce the same or a copy of the same to the Security Trustee and inform it of the steps taken or proposed to be taken to comply with any requirement made or implicit in the same;
- 7.2.10 duly and punctually perform and observe all its obligations in connection with the Security Assets under any present or future statute or any regulation, order or notice made or given under the same;
- 7.2.11 not without the previous consent in writing of the Security Trustee grant or agree to grant (whether in exercise or independently of any statutory power) any lease or tenancy of the Mortgaged Property or accept a surrender of any lease or tenancy or confer upon any person any contractual licence or right to occupy the Mortgaged Property other than in the form of an Approved Tenancy Agreement or on terms which confer no fewer rights on the Chargor as the lessor or licensor and impose no obligations on the Chargor additional to those set out in an Approved Tenancy Agreement and provided, on request by the Security Trustee following the occurrence of an Enforcement Event which is continuing, it notifies the Security Trustee of all leases, tenancies, licences or rights to occupy granted or surrendered by it and if so reasonably requested by the Security Trustee provided it sends a copy of the same to the Security Trustee forthwith upon request;

- (a) not without the prior written consent of the Security Trustee accept or agree to accept the surrender or alteration of any of the Letting Documents which materially adversely affects or is reasonably likely to materially adversely affect the value of the Mortgaged Property and observe and perform all the covenants, conditions, agreements and obligations on its part in all material respects to the extent non-compliance materially adversely affects or is likely to materially adversely affect the value of the Mortgaged Property or the ability of the Chargor to perform its obligations under the Relevant Document;
- (b) in accordance with its enforcement and arrears policies as a registered provider (which shall be in a form that is in compliance with Regulator guidance), enforce and not waive or release the covenants, conditions, agreements and obligations contained in or imposed by any of the Letting Documents or any guarantee in respect of the obligations of the tenants, lessees, licensees or other parties thereunder which materially adversely affects or is reasonably likely to materially adversely affect the value of the Mortgaged Property; and
- (c) at any time after an Enforcement Event has occurred and is continuing after the expiry of any applicable grace period during which the Enforcement Event has not been remedied and upon the request of the Security Trustee issue irrevocable instructions to the other parties to any Letting Document to pay rents and sums due under any Letting Document to the Security Trustee or into such accounts as the Security Trustee may require.

7.2.12 subject to the Specified Documents, deposit with the Security Trustee all deeds and documents of title relating to the Mortgaged Properties (and it is hereby agreed that the Security Trustee shall be entitled to hold the same during the Security Period) except to the extent that any such Mortgaged Properties are released by the Security Trustee pursuant to the terms of the Specified Documents;

7.2.13 duly and punctually perform and observe all covenants and stipulations restrictive or otherwise affecting all or any part of the Mortgaged Property and indemnify the Security Trustee and each Beneficiary in respect of any breach of the same and provide the Security Trustee with such information as it may reasonably require regarding the Chargor's compliance with this Deed and permit (so far as it is lawful and subject to the tenant's rights) the Security Trustee and any person nominated by it at all reasonable times (provided that reasonable notice has been given by the Security Trustee and subject to the tenant's rights) to enter upon the Mortgaged Property and view the state of the same;

7.2.14 after the occurrence of an Enforcement Event which is continuing and which is not remedied within any applicable grace period or an event which the Security Trustee reasonably believes (having first made full and proper enquiries with the Chargor) is a Potential Enforcement Event which is continuing, grant the Security Trustee or its lawyers on request all such facilities within the power of the Chargor to enable such lawyers to carry out investigations of title to the Mortgaged Property and other property which is or may be subject to this security and enquiries into matters in connection therewith as may be carried out by a prudent mortgagee. Such investigations and enquiries shall be at the expense of the Chargor;

7.2.15 after the occurrence of an Enforcement Event which is continuing and which is not remedied within any applicable grace period or an event which the Security Trustee reasonably believes (having first made full and proper enquiries with the Chargor) is a Potential Enforcement Event which is continuing and only to the extent that no investigation of title has been conducted pursuant to Clause 7.2.14 forthwith on demand by the Security Trustee provide the Security Trustee with a solicitor's report in a form acceptable to the Security Trustee as to the title of the Chargor to the Mortgaged Property and other property which is or may be subject to this security and related matters concerning the items which a prudent mortgagee would properly require in a solicitor's report of this nature;

- 7.2.16 if so requested by the Security Trustee, obtain any material authorisation or material licence required in order to enable the Security Trustee pursuant to the powers of enforcement conferred on it by the Security Documents to sell vacant Mortgaged Property and comply with any local land charges, covenants (leasehold or otherwise) or restrictive covenants relating to such Mortgaged Properties which are binding on it; and
- 7.2.17 comply with all the Chargor's obligations in relation to Environmental Laws under the Specified Documents and notify the Security Trustee immediately if the Chargor becomes aware that there is any Contamination affecting the Mortgaged Property;
- 7.2.18 in relation to energy performance:
- (a) carry out any energy efficiency improvements necessary, or take any other steps necessary, to ensure that at all times each part of its Mortgaged Property which is designed to be let can be let or can continue to be let without breaching any applicable laws or regulations in respect of minimum levels of energy efficiency for properties; and
 - (b) promptly following a request by the Security Trustee, provide to the Security Trustee a copy of the current energy performance certificate(s) in respect of each Mortgaged Property or evidence that an energy performance certificate is not required under any applicable law or regulation,

provided that nothing in this Clause 7.2 shall require or oblige the Chargor to do or procure to be done anything which is inconsistent with, or contrary to, the terms of any lease or leases under which the Chargor holds any part or parts of the Mortgaged Property.

7.3 Negative Pledge and Disposals

- 7.3.1 The Chargor shall not create or permit to subsist any Security Interest on any of the Security Assets or any income derived from the Security Assets save as permitted under the terms of the Specified Documents.
- 7.3.2 The Chargor shall not sell, transfer, grant or lease or otherwise dispose of all or any part of the Security Assets or any income derived from the Security Assets save as permitted under the Specified Documents.

8. FURTHER WARRANTY

The Chargor warrants that the Security Assets are the same properties as have been valued for the benefit of the Beneficiaries, copies of which valuations have been provided to the Security Trustee and, where applicable, the Relevant Beneficiaries.

9. POWER TO REMEDY

In case of default by the Chargor in repairing or keeping in repair or insuring the Mortgaged Property or in observing or performing any of the covenants or stipulations affecting the same, the Chargor will permit the Security Trustee or its agents and contractors to enter on the Mortgaged Property and to comply with or object to any notice served on the Chargor in respect of the Mortgaged Property and to effect such repairs or insurance or generally do such things or pay all such costs, charges and expenses as the Security Trustee may reasonably consider necessary to prevent or remedy any breach of covenant or stipulation or to comply with or object to any notice. The Chargor will indemnify and keep the Security Trustee indemnified against all losses, costs, charges and expenses properly incurred in connection with the exercise of the powers contained in this Clause 9.

10. WHEN SECURITY BECOMES ENFORCEABLE

The security conferred by this Deed shall become immediately enforceable and the power of sale and other powers conferred by Section 101 of the Law of Property Act 1925 as varied or amended by this Deed shall be immediately exercisable upon and after an Enforcement Event has occurred and is continuing and has not been remedied within any applicable grace period. After the security constituted by this Deed has become enforceable, the Security Trustee may enforce all or any part of such 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 such security subject to the terms of the Specified Documents.

11. ENFORCEMENT OF SECURITY

For the purposes of all powers implied by statute the Secured Obligations shall be deemed to have become due and payable on the date of this Deed and Section 103 of the Law of Property Act 1925 (restricting the power of sale) and Section 93 of that Act (restricting the right of consolidation) shall not apply to this security. The statutory powers of leasing conferred on the Security Trustee shall be extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee shall think fit and without the need to comply with any of the provisions of Sections 99 and 100 of that Act.

12. RECEIVER

12.1 Appointment of Receiver

12.1.1 At any time after this security becomes enforceable or if the Chargor so requests the Security Trustee in writing at any time, the Security Trustee may without further notice appoint under seal or in writing under its hand any one or more qualified persons to be a Receiver of all or any part of the Security Assets in like manner in every respect as if the Security Trustee had become entitled under the Law of Property Act 1925 to exercise the power of sale thereby conferred.

12.1.2 In this Clause 12.1 qualified person means a person who, under the Insolvency Act 1986, is qualified to act as a Receiver of the property of any company with respect to which he is appointed.

12.2 Powers of a Receiver

Every Receiver appointed in accordance with Clause 12.1 shall have and be entitled to exercise all of the powers set out below. The powers referred to above are (in each case to the extent permitted by law):

12.2.1 to take immediate possession of, get in and collect the Security Assets;

12.2.2 to make and effect all repairs and Insurances and do all other acts which the Chargor might do in the ordinary conduct of its business as well for the protection as for the improvement of the Security Assets and to commence and/or complete any building operations on the Mortgaged Property and to apply for and maintain any planning permissions, building regulation approvals and any other permissions, consents or licences, in each case as he may in his absolute discretion think fit;

12.2.3 for the purpose of exercising any of the powers, authorities and discretions conferred on him by or pursuant to this Deed and/or of defraying any costs, charges, losses or expenses (including his remuneration) which shall be incurred by him in the exercise of the same or for any other purpose, to raise and borrow money either unsecured or on the security of the Security Assets either in priority to the security constituted by this Deed or otherwise and generally on such terms and conditions as he may think fit and no person lending such money shall be concerned to enquire as to the propriety or purpose of the exercise of such power or to see to the application of any money so raised or borrowed;

- 12.2.4 to sell, exchange, convert into money and realise all or any part of the Security Assets by public auction or private contract and generally in such manner and on such terms as he shall think proper. Without prejudice to the generality of the foregoing he may do any of these things for a consideration consisting 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 such period as he may think fit. Fixtures, other than landlords fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor;
- 12.2.5 to let all or any part of the Security Assets for such term and at such rent (with or without a premium) as he may think proper and to accept a surrender of any lease or tenancy on such terms as he may think fit (including the payment of money to a lessee or tenant on a surrender);
- 12.2.6 to settle, adjust, refer to arbitration, compromise and arrange any claims, actions, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor in relation to the Security Assets;
- 12.2.7 to bring, prosecute, enforce, defend and abandon all such actions, suits and proceedings in relation to the Security Assets as may seem to him to be expedient;
- 12.2.8 to give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising the Security Assets;
- 12.2.9 (i) all the powers (as varied and extended by the provisions of this Deed) conferred by the Insolvency Act 1986 on mortgagees in possession, Administrators, Receivers and Administrative Receivers (as defined therein); and (ii) all such other acts and things as any Receiver may consider desirable or necessary for realising the whole or any part of the Security Assets or incidental or conducive to any of the matters, powers or authorities conferred on a Receiver under or by virtue of this Deed, to exercise in relation to the Security Assets all such powers, authorities and things as he would be capable of exercising if he were the absolute beneficial owner of the same and to use the name of the Chargor for all or any of such purposes;
- 12.2.10 power to demolish, alter, improve, develop, complete, construct, modify or refurbish the whole or any part of the Mortgaged Property and the Fixtures and to complete or undertake or concur in the completion or undertaking of any approved development (with or without modification) and any other project in which the Chargor was concerned or interested in prior to his appointment being a project for the demolition, alteration, improvement, development, completion, construction, modification, rebuilding or reinstatement, refurbishment or repair of the Mortgaged Property and the Fixtures and in particular (without prejudice to the generality of the foregoing) to carry out and complete such approved development;
- 12.2.11 power to undertake, effect or complete any work of repair, maintenance, modification, redecoration, improvement, fitting out and furnishing of the Mortgaged Property;
- 12.2.12 power to apply for and obtain any planning permissions, building regulation approvals, environmental permits and any other permissions, consents or licences in relation to the Security Assets;
- 12.2.13 power to provide all services (including, without limitation, heating, lighting and cleansing) which may be deemed expedient in relation to the occupation or management of the Mortgaged Property;
- 12.2.14 power to enter into, perform, repudiate, rescind, vary, modify, assign, sub-let or novate any contract or agreement, option agreement, agreement for lease, building contract or professional appointment or otherwise for or which relates in any way to the Security Assets and to appoint, hire and employ and remunerate such

contractors, advisers, professionals, agents, servants, attendants, managers, officers, workmen and others upon such terms and at such salaries, fees or remuneration and generally in such manner as he shall think fit and to discharge such persons;

12.2.15 power to acquire any interest in any real or personal property which he may consider necessary or desirable to acquire in order to maintain or enhance the value of the Security Assets and to grant or surrender, easements, covenants and licences and to make exchanges and to enter into any agreements for the revision of boundaries; and

12.2.16 to do all such other acts and things as he may consider necessary or desirable for realising the Security Assets or incidental or conducive to any of the matters, powers or authorities conferred on a Receiver under or by virtue of this Deed, to exercise in relation to the Security Assets all such powers, authorities and things as he would be capable of exercising if he were the absolute beneficial owner of the same and to use the name of the Chargor for all or any of such purposes.

12.3 Removal and remuneration

The Security Trustee may from time to time by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it may deem it expedient, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated and may from time to time fix the remuneration of any Receiver appointed by it. The Security Trustee will consider any request from the Chargor to remove a Receiver provided the Chargor can show, to the reasonable satisfaction of the Security Trustee, that failure to remove such Receiver would be prejudicial to the proper realisation or disposal of the Chargor's assets or that the specific Receiver in carrying out his appointment hereunder (and not, for the avoidance of doubt, the actual appointment of any Receiver), is prejudicing the Chargor's registration with the Regulator.

12.4 Security Trustee may exercise

To the fullest extent permitted by law, all or any of the powers, authorities and discretions which are conferred by this Deed (either expressly or impliedly) upon a Receiver of the Security Assets may be exercised after the security created by this Deed becomes enforceable by the Security Trustee in relation to the whole of such Security Assets without first appointing a Receiver of such property or any part thereof or notwithstanding the appointment of a Receiver of such property or any part thereof.

13. APPLICATION OF PROCEEDS

Any moneys received by the Security Trustee or by any Receiver appointed by it pursuant to this Deed and/or under the powers conferred by this Deed shall, after the security constituted by this Deed shall have become enforceable but to the payment of any claims having priority to this security and to the Security Trustee's and such Receiver's rights under Clause 12.2 (*Powers of Receiver*) be applied by the Security Trustee in accordance with clause 7 (*Application of Proceeds*) of the Security Trust Deed.

14. NO LIABILITY AS MORTGAGEE IN POSSESSION

The Security Trustee shall not nor shall any Receiver appointed as aforesaid by reason of it or the Receiver entering into possession of the Security Assets be liable to account as mortgagee in possession or be liable for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable. Every Receiver duly appointed by the Security Trustee under the powers in that behalf contained in this Deed shall be deemed to be the agent of the Chargor for all purposes and shall as such agent for all purposes be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Law of Property Act 1925. The Chargor alone shall be responsible for his contracts, engagements, acts, omissions, defaults and losses and for liabilities incurred by him and neither the Security Trustee nor any Beneficiary shall incur any liability therefor (either to the

Chargor or to any other person whatsoever) by reason of the Security Trustee's making his appointment as such Receiver or for any other reason whatsoever. Every such Receiver and the Security Trustee shall be entitled to all the rights, powers, privileges and immunities by such Act conferred on mortgagees and receivers when such receivers have been duly appointed under such Act but so that Section 103 of that Act shall not apply.

15. PROTECTION OF THIRD PARTIES

No purchaser, mortgagee or other person or company dealing with the Security Trustee or the Receiver or its or his agents shall be concerned to enquire whether the Secured Obligations have become payable or whether any power which the Receiver is purporting to exercise has become exercisable or whether any money remains due under the Specified Documents or to see to the application of any money paid to the Security Trustee or to such Receiver.

16. EXPENSES

All costs, charges and expenses properly incurred and all payments made by the Security Trustee or any Receiver appointed under this Deed in the lawful exercise of the powers conferred by this Deed whether or not occasioned by any act, neglect or default of the Chargor shall carry interest (as well after as before judgment) at a rate equal to 2 per cent per annum over the highest interest rate for the time being payable under any of the Specified Documents from the date of the same being incurred or becoming payable by the Chargor until the date the same are unconditionally and irrevocably paid and discharged in full. The amount of all such costs, charges, expenses and payments and all such interest and all remuneration payable pursuant to this Deed shall be payable by the Chargor on demand.

17. INDEMNITY

The Security Trustee and the Relevant Beneficiaries and every Receiver, attorney, manager, agent or other person appointed by the Security Trustee under this Deed shall be entitled to be indemnified out of the Security Assets in respect of all liabilities and expenses properly incurred by them in the execution or purported execution of any of the powers, authorities or discretions vested in them pursuant to this Deed and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Security Assets and the Security Trustee, the Relevant Beneficiaries and any Receiver may retain and pay all sums in respect of the same out of any moneys received under the powers conferred by this Deed.

18. DELEGATION BY SECURITY TRUSTEE AND RECEIVER

The Security Trustee may at any time and from time to time delegate by power of attorney or in any other manner to any person or persons all or any of the powers, authorities and discretions which are for the time being exercisable by the Security Trustee or any Receiver under this Deed in relation to the Security Assets. Any such delegation may be made upon such terms and subject to such regulations as the Security Trustee or any Receiver may think fit. Neither the Security Trustee 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 provided it acted properly in the appointment of the same.

19. FURTHER ASSURANCES

19.1 General

The Chargor shall at its own expense execute and do all such assurances, acts and things as the Security Trustee may require for perfecting or protecting the security intended to be created by this Deed over the Security Assets or for facilitating the realisation of the Security Assets and in the exercise of all powers, authorities and discretions vested in the Security Trustee or any Receiver of the Security Assets or in any such delegate or sub delegate as aforesaid. To that intent, the Chargor shall in particular execute all transfers, conveyances,

assignments (whether legal or equitable) and assurances of such property whether to the Security Trustee or to its nominees and give all notices, orders and directions and make all registrations which the Security Trustee may reasonably think necessary and obtain all necessary consents to procure the registration of this Deed at the Land Registry. The obligations of the Chargor under this Clause 19.1 shall be in addition to and not in substitution for the covenants for further assurance deemed to be included herein by virtue of section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994.

19.2 Legal Charge

Without prejudice to the generality of Clause 19.1, the Chargor will forthwith at the request of the Security Trustee execute a legal mortgage, charge or assignment over all or any of the Security Assets subject to or intended to be subject to any fixed security created by this Deed in favour of the Security Trustee (as trustee as stated above) in such form as the Security Trustee may reasonably require.

19.3 Consents

The Chargor shall use all reasonable endeavours to obtain (in form and content satisfactory to the Security Trustee (acting reasonably)) as soon as possible any consents necessary to enable the assets of the Chargor purported to be so charged or assigned to be the subject of an effective fixed charge or assignment pursuant to Clause 3 (*Fixed Charges*) 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 Security Trustee.

19.4 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.

20. REDEMPTION OF PRIOR MORTGAGES

The Security Trustee may, at any time after the security constituted by this Deed has become enforceable, redeem any prior Security Interest against the Security Assets or procure the transfer of the same to itself and may settle and pass the accounts of the prior mortgagee, chargee or encumbrancer. Any accounts so settled and passed shall be conclusive and binding on the Chargor save for manifest error. All principal moneys, interest, costs, charges and expenses of and incidental to such redemption and transfer shall be paid by the Chargor to the Security Trustee on demand.

21. POWER OF ATTORNEY

- 21.1 The Chargor by way of security and in order more fully to secure the performance of its obligations under this Deed irrevocably appoints the Security Trustee and every Receiver of the Security Assets appointed under this Deed and every such delegate or sub delegate referred to above to be its attorney acting severally, and on its behalf and in its name or otherwise at any time after the occurrence of an Enforcement Event which is continuing to execute and do all such assurances, acts and things which the Chargor ought to do under the covenants and provisions contained in this Deed (including, without limitation, to make any demand upon or to give any notice or receipt to any person owing moneys to the Chargor and to execute and deliver any charges, legal mortgages, assignments or other security and any transfers of securities) and generally in its name and on its behalf to exercise all or any of the powers, authorities and discretions conferred by or pursuant to this Deed or by statute on the Security Trustee or any such Receiver, delegate or sub delegate and (without prejudice to the generality of the foregoing) to seal and deliver and otherwise perfect any deed, assurance, agreement, instrument or act which it or he may reasonably deem proper in or for the purpose of exercising any of such powers, authorities and discretions.

- 21.2 The Chargor hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in Clause 21.1 shall do or purport to do in good faith in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in such Clause.

22. NEW ACCOUNTS

If the Security Trustee or any Beneficiary receives or is deemed to be affected by notice whether actual or constructive of any subsequent charge or other interest affecting any part of the Security Assets and/or the proceeds of sale thereof, the Security Trustee or such Beneficiary may open a new account or accounts with the Chargor. If the Security Trustee or such Beneficiary (as the case may be) does not open a new account it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice and as from that time all payments made to the Security Trustee or such Beneficiary shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount for which this Deed is security.

23. STAMP TAXES

The Chargor shall pay and, forthwith on demand, indemnify the Security Trustee and each Beneficiary against any liability it incurs in respect of any stamp duty land tax, registration fees and any similar Tax which is or becomes payable in connection with the entry into, performance or enforcement of this Deed.

24. PERFECTION OF SECURITY

The Chargor shall be bound by and irrevocably authorises the Security Trustee to execute on its behalf any document required to perfect the security granted to the Security Trustee pursuant to the Specified Documents or this Deed.

25. WAIVERS, REMEDIES CUMULATIVE

The rights of the Security Trustee and each Beneficiary under this Deed: (a) may be exercised as often as necessary; (b) are cumulative and not exclusive of its rights under general law; and (c) may be waived only in writing and specifically. Delay in exercising or non-exercise of any such right is not a waiver of that right. The Security Trustee may waive any breach by the Chargor of any of its obligations under the Specified Documents.

26. SET-OFF

The Security Trustee and each Beneficiary may (to the extent that the same is beneficially owned by it) set off any matured obligation due from the Chargor under the Specified Documents against any matured obligation owed by the Security Trustee or such Beneficiary (as the case may be) to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Trustee or such Beneficiary (as the case may be) may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set off.

27. TIME DEPOSITS

Without prejudice to Clause 26 (*Set-Off*), if any time deposit matures on any account the Chargor has with the Security Trustee or any Relevant Beneficiary at a time within the Security Period when: (a) this security has become enforceable; and (b) no amount of the Secured Obligations is due and payable, such time deposit shall automatically be renewed for such further maturity as the Security Trustee or such Beneficiary (as the case may be) in its absolute discretion considers appropriate unless the Security Trustee or such Beneficiary (as the case may be) otherwise agrees in writing.

28. SEVERABILITY

If a provision of this Deed is or becomes illegal, invalid or unenforceable, that shall not affect the validity or enforceability of any other provision of this Deed.

29. COUNTERPARTS

This Deed may be executed in any number of counterparts and this will have the same effect as if the signatures on the counterparts were on a single copy of this Deed.

30. NOTICES

30.1 All notices under, or in connection with, this Deed shall be given in writing and unless otherwise stated, may be made by letter or electronic communication. Any such notice is deemed to be given by post when delivered (delivery shall be deemed to be immediate if by hand or two days after posting if sent by first class post). However, a notice given in accordance with the above but received on a non Business Day or after business hours in the place of receipt is deemed to be given on the next Business Day in that place. If a notice is given by electronic communication it shall be deemed to be given in accordance with clause 30.3.

30.2 The address and email address of the Chargor and the Security Trustee for all notices under, or in connection with, this Deed are:

in the case of the Chargor:

Address: Rivers Meet, Cleeve Mill Lane, Newent, Gloucestershire, GL18 1DS

Email: carol.dover@2rh.org.uk and GovernanceAndExecPA@2rh.org.uk

Attention: The Finance Director

in the case of the Security Trustee:

Address: Prudential Trustee Company Limited, 10 Fenchurch Avenue, London EC3M 5AG

Email: Trustees@MandG.co.uk

Attention: Corporate Trust Manager

or, in each case, such other details as one may notify the other in writing by not less than 7 days' notice.

30.3 Electronic notices

30.3.1 Any communication to be made between the Chargor and the Security Trustee under or in connection with this Deed may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if the Chargor and the Security Trustee:

(a) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(b) notify each other of any change to their address or any other such information supplied by them by not less than 5 Business Days' notice.

30.3.2 Any such electronic communication as specified in clause 30.3.1 which is to be made between the Chargor and the Security Trustee may only be made in that way to the extent that the Chargor and the Security Trustee agree (unless and until notified to the contrary) that this is to be an accepted form of communication.

30.3.3 Any such electronic communication as specified in clause 30.3.1 will be effective only when actually received (or made available) in readable form, and in the case

of any electronic communication made to the Security Trustee only if it is addressed in such a manner as the Security Trustee shall specify for this purpose.

30.3.4 Any electronic communication which becomes effective in accordance with clause 30.3.3 after 5.00 pm in the place in which the party to whom the relevant communication is sent or made available has its address for the purpose of this Deed shall be deemed only to become effective on the next Business Day in that place.

30.3.5 Any reference in this Deed to a communication being sent or received shall be construed to include that communication being made available in accordance with this clause 30.3.

31. THE LAND REGISTRY

31.1 In respect of the Mortgaged Property the title to which is or is to be registered at the Land Registry and in respect of any other registered title(s) against which this Deed may be noted the Chargor consents to the lodgement at the Land Registry of an application by or on behalf of the Security Trustee for the entry of the following restriction in the Proprietorship Register of any property which is, or is required to be, registered forming part of the Mortgaged Property:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date of this Deed] in favour of Prudential Trustee Company Limited referred to in the charges register".

31.2 For the purposes of the Land Registration Rules 2003 and Section 49(3) of the Land Registration Act 2002, the Chargor consents to the lodgement at the Land Registry of an application by or on behalf of the Security Trustee for the entry of a note of the obligation to make further advances on the Charges Register of any registered land forming part of the Mortgaged Property.

32. FURTHER ADVANCES

32.1 The Beneficiaries are under an obligation to make further advances to the Chargor in accordance with the terms of their respective Specified Documents.

32.2 For the purposes of section 94(1)(c) of the Law of Property Act 1925, section 49(3) of the Land Registration Act 2002 and Rule 108 of the Land Registration Rules 2003, the obligation on the Beneficiaries to make further advances will be deemed to be incorporated in this Deed as if the same were set out in this Deed.

32.3 For the purposes of Rule 68(1) of the Land Registration Rules 2003, the covenants set out in sections 2 to 5 (inclusive) of the Law of Property (Miscellaneous Provisions) Act 1994 shall be extended by the provisions of this Deed.

32.4 It is certified that the security created by this Deed does not contravene any of the provisions of the Companies Acts 1985-2004 or the rules of the Chargor.

33. 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.

34. RELEASE

Upon the expiry of the Security Period, the Security Trustee shall, at the request and reasonable cost of the Chargor, take whatever action is necessary to release and to reassign to the Chargor the Security Assets from the security constituted by this Deed.

35. CHARITY STATEMENT

35.1 The Mortgaged Property is held by (or in trust for) the Chargor, a non-exempt charity and the charges set out in this Deed do not fall within section 124(9) of the Charities Act 2011 so that the restrictions imposed by section 124 of the Charities Act 2011 apply.

35.2 The trustees of the Chargor, being the persons who have general control and management of the Chargor's administration, certify that:

35.2.1 they have the power under the provisions establishing the Chargor and regulating its purposes and administration to effect the charges set out in this Deed; and

35.2.2 they have obtained and considered such advice as is referred to in section 124(2) of the Charities Act 2011.

35.3 The trustees of the Chargor are a party to this Deed for the purposes of providing the certificate contained in clause 35.2 above.

36. GOVERNING LAW

This Deed, and any non-contractual obligations arising out of or in connection with this Deed, shall be governed by and construed in accordance with English law and subject to the jurisdiction of the English courts.

IN WITNESS this document has been duly executed as a deed on the date set out at the beginning of this Deed.

SCHEDULE 1

MORTGAGED PROPERTIES

All the land and buildings contained in and (save where expressly stated otherwise) comprising the whole of the title number set out in the table below and including part of the dwellings specified in such table:

URPN	Address	Postcode	Title Number
10636	Flat 1, 1 Park End Road, Gloucester, Gloucestershire	GL1 5AT	GR74879
10638	Flat 2, 1 Park End Road, Gloucester, Gloucestershire	GL1 5AT	GR74879
10639	Flat 3, 1 Park End Road, Gloucester, Gloucestershire	GL1 5AT	GR74879
10640	Flat 4, 1 Park End Road, Gloucester, Gloucestershire	GL1 5AT	GR74879
10641	Flat 5, 1 Park End Road, Gloucester, Gloucestershire	GL1 5AT	GR74879
10642	Flat 6, 1 Park End Road, Gloucester, Gloucestershire	GL1 5AT	GR74879
10643	Flat 7, 1 Park End Road, Gloucester, Gloucestershire	GL1 5AT	GR74879
10644	Flat 8, 1 Park End Road, Gloucester, Gloucestershire	GL1 5AT	GR74879
10645	Flat 9, 1 Park End Road, Gloucester, Gloucestershire	GL1 5AT	GR74879
10646	Flat 10, 1 Park End Road, Gloucester, Gloucestershire	GL1 5AT	GR74879
10647	Flat 11, 1 Park End Road, Gloucester, Gloucestershire	GL1 5AT	GR74879
10648	Flat 12, 1 Park End Road, Gloucester, Gloucestershire	GL1 5AT	GR74879
10649	Flat 13, 1 Park End Road, Gloucester, Gloucestershire	GL1 5AT	GR74879
10650	Flat 14, 1 Park End Road, Gloucester, Gloucestershire	GL1 5AT	GR74879

SCHEDULE 2

NOTICE OF ASSIGNMENT

To: []

Dated: []

NOTICE OF ASSIGNMENT

We hereby give notice that by a legal mortgage dated [] made between (1) Two Rivers Housing (Chargor) and (2) Prudential Trustee Company Limited as security trustee (Security Trustee) (2) (the "**Charge**"), the Chargor assigned to the Security Trustee for and on behalf of itself and the Beneficiaries (as defined in the charge) from time to time all its rights, title and interest in [describe assigned assets] (**Assigned Assets**) as security for the payment of all Secured Obligations (as defined in the Charge).

By signing and returning to the Security Trustee the additional copy of this notice, please acknowledge notice of the Charge and confirm and agree that:

- (1) you have not received notice of any previous assignment, charge, lien or other security interest of or affecting the Assigned Assets;
- (2) all monies due or to become due from you to the Chargor under the Assigned Assets shall be paid to the Chargor's account with [] (account number: []; sort code: []) or to such other account as the Security Trustee may notify you in writing and without set-off or counterclaim save as provided in the Assigned Assets; and
- (3) you will not without prior written consent of the Security Trustee determine or amend the Assigned Assets.

Until the Security Trustee shall serve written notice to the contrary, the Chargor shall be entitled, subject to the provisions of this notice, to exercise its rights under the Assigned Assets.

Yours faithfully

Authorised Signatory

for and on behalf of Two Rivers Housing

To: Prudential Trustee Company Limited (in its capacity as Security Trustee);

and

To: Two Rivers Housing

ACKNOWLEDGEMENT

We hereby confirm and agree to the terms set out above.

Dated:

Duly authorised signatory for and on behalf of

[]

EXECUTION PAGE OF THE LEGAL MORTGAGE

Chargor

EXECUTED as a Deed by affixing
the COMMON SEAL of
TWO RIVERS HOUSING

in the presence of:

Authorised Signatory

Authorised Signatory

EXECUTED as a deed on behalf of the charity
trustees of TWO RIVERS HOUSING by
YVONNE LESHMAN, one of their
number under an authority conferred pursuant
to section 333 of the Charities Act 2011 in the
presence of

Signature of witness

Name ROBERT JOHN PEARCE

EXECUTED as a deed on behalf of the charity
trustees of TWO RIVERS HOUSING by
TIM JACKSON, one of their
number under an authority conferred pursuant
to section 333 of the Charities Act 2011 in the
presence of

Signature of witness

Name KATHARINE JANE JACKSON

Address

Security Trustee

EXECUTED as a Deed by affixing the)
COMMON SEAL of)
PRUDENTIAL TRUSTEE COMPANY)
LIMITED in the)

.....
Sealing Officer