

119235/26

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COMPANIES FORM NO. 395

Particulars of a mortgage or charge**395**

CHFP025

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

Please do not
write in
this margin

Pursuant to section 395 of the Companies Act 1985

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

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

For official use

Company number

2

5453405

*Insert full name
of Company

Name of company

* Ability (Baker Street) Limited (Company)

Date of creation of the charge

28 July 2005

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

5 Debenture (Deed) made between the Company and Barclays Bank PLC in its capacity as security
Trustee (Security Trustee) *

Amount secured by the mortgage or charge

10 All money and liabilities at the date of the Deed or thereafter due, owing or incurred to the Secured Parties (or any of them) by the Obligors under the Finance Documents (or any of them) and under the Deed in whatsoever manner in any currency or currencies whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred in connection therewith (Secured Obligations).

cont

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

Barclays Bank PLC *

5 The North Colonnade

London

Postcode

E14 4BB

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

Our Ref: MOORR/1173-391
Addleshaw Goddard
100 Barbirolli Square
Manchester M2 3AB

Time critical reference

For official Use
Mortgage Section

Post room



A06
COMPANIES HOUSE

0483
05/08/05

Short particulars of all the property mortgaged or charged

1 As a continuing security for the payment of the Secured Obligations the Company charged with full title guarantee the following assets, both present and future, from time to time owned by the Company or in which the Company is from time to time interested:

- (a) by way of first legal mortgage all the freehold and leasehold property specified in schedule 1 to the Deed (a copy of which is attached to this form) together with all buildings and fixtures (including trade fixtures) at any time thereon;
- (b) by way of first legal mortgage all other freehold and leasehold property (if any) wherever situated together with all buildings and fixtures (including trade fixtures) at any time thereon;

cont

Please do not write in this margin

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

T
01
95

Nil

A fee is payable to Companies House in respect of each register entry for a mortgage or charge.
(See Note 5)

Signed

Adleshaw Gockard

Date

04.03.05

On behalf of mortgagee

Notes

†delete as appropriate

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal Charge", etc, as the case may be, should be given.
In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
- 3 (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
(b) procuring or agreeing to procure subscriptions, whether absolute or conditional, for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 Cheques and postal orders are to be made payable to **Companies House**
- 6 The address of the Registrar of Companies is:-
Companies House, Crown Way, Cardiff CF4 3UZ, DX: 33050 Cardiff

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Amount secured by the mortgage or charge

Company Name: Ability (Baker Street) Limited

Company No: 5453405

In this form the following terms shall have the following meanings:

Account Bank means Barclays Bank PLC

Agent means Barclays Bank PLC

Arranger means Barclays Bank PLC

Budgeted Costs means the itemised budgeted costs and expenses relating to the acquisition of the Property, the carrying out of the Development Works and the Financing Expenses, as approved by the Agent

Collateral Warranty means a collateral warranty in agreed form entered into by the Company and a person undertaking works or services in favour of the Security Trustee in connection with the Development Works and providing for step in rights

Compliance Certificate means a certificate substantially in the form set out in schedule 6 of the Facility Agreement

Cost Overrun means, at any time and from time to time the amount certified by the Project Monitor as the excess, estimated and/or actual, of any of the Budgeted Costs over any of the Budgeted Costs shown as incurred or to be incurred in the Development Appraisal as that Development Appraisal stands on or around the date of the Facility Agreement including, without limitation, any VAT funded by the first Utilisation of the Facility that is not recovered from HM Customs and Excise within two months of the date of first Utilisation and any shortfall in respect of the AH Units to the extent that the presale of the AH Units is for an aggregate sum of less than £7,000,000

Deed of Priority means the deed of priority in agreed form executed by the Guarantor and various secured parties of the Guarantor, including the Security Trustee

Development Appraisal means the development appraisal and cash flow forecast, prepared by the Company, in form and content satisfactory to the Agent in respect of the Development Works which contains:

- (a) a costed description and financial analysis of the Development Works
- (b) comprehensive details of the Budgeted Costs for the Development Works
- (c) detailed development plans and specifications, and
- (d) construction programme

as from time to time amended with the prior written consent of the Agent

Development Works means the development of the Property into:

- (a) 92 residential apartments (**Residential Apartments**)
- (b) 100 car parking spaces (**Car Parking Spaces**)

(c) retail units comprising approximately 10,000 square feet of the Property (**Retail Units**) and

(d) 40 affordable housing units (**AH Units**),

as more particularly described in the Specifications

Facility means the term loan facility made available under the Facility Agreement

Facility Agreement means the facility agreement dated on or about the date of the Deed pursuant to which the Lenders agreed to make available to the Company a £48,000,000 term loan facility and made between the Company, the Arranger, the Agent, the Original Lenders, the Security Trustee and the Account Bank

Finance Document means:

(a) the Facility Agreement

(b) any letter or letters dated on or about the date of the Facility Agreement between the Arranger and the Company (or the Agent and the Company) setting out any of the fees referred to in clause 11 of the Facility Agreement

(c) each Compliance Certificate

(d) each Security Document

(e) each Utilisation Request

(f) the Subordination Deed

(g) any Hedging Agreement

(h) the Deed of Priority

(i) each Collateral Warranty required to be delivered to the Agent or the Security Trustee under the Facility Agreement

(j) the Security Trust Deed, and

and any other document designated as such by the Agent and the Company

Financing Expenses means the obligation of the Company to pay all interest, commission, fees, costs and expenses to the Finance Parties on the terms set out in the Finance Documents

Finance Party means the Agent, the Arranger, the Security Trustee, any Hedge Counterparty, any Account Bank or a Lender

Guarantee means the Interest Overrun, Cost Overrun, performance guarantee and guarantee in respect of the Facility in agreed form issued by the Guarantor to the Security Trustee in respect of the liabilities of the Company

Guarantor means Ability Developments Limited (registered number 3280282)

Hedge Counterparty means each counterparty to a Hedging Agreement with the Company

which counterparty enters into or accedes to the Security Trust Deed as a hedge counterparty

Hedging Agreement means each agreement in the agreed form between the Company and a Hedge Counterparty whereby the Company hedges its exposure to fluctuations in interest rates in connection with the Facility Agreement

Interest Overruns means any interest due to the Lenders under the Facility Agreement which is in excess of the aggregate amount of interest set out in the Development Appraisal

Keyman Insurance means keyman life assurance policy (in form and content reasonably satisfactory to the Lenders and with such insurer as the Lenders may reasonably approve) maintained by the Company in respect of the death or disability of Andreas Panayiotou for £3,000,000

Keyman Insurance Assignment means the assignment executed or to be executed by the Company in respect of the Keyman Insurance in favour of the Security Trustee in a form satisfactory to the Agent

Lender means:

- (a) any Original Lender and
- (b) any bank, financial institution, trust, fund or other entity which has become a party to the Facility Agreement (**Party**) in accordance with clause 22 of the Facility Agreement,

which in each case has not ceased to be a Party in accordance with the terms of the Facility Agreement

Loan means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan

Obligors means the Company and the Guarantor

Original Lenders means Barclays Bank PLC and The Governor and Company of the Bank of Ireland (incorporated in Ireland with limited liability)

Project Monitor means Monk Dunstone Associates Limited of 17 Grosvenor Hill, Mayfair London W1K 3QB or such other chartered quantity surveyors or project managers as may be appointed by the Agent in connection with the Facility Agreement

Property means Abbey House, Baker Street, London NW1 6XL, as more particularly described in schedule 1 to the Deed

Secured Parties means the Finance Parties and each Hedge Counterparty

Security means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect

Security Document means:

- (a) the Deed
- (b) each Collateral Warranty

- (c) the Share Mortgage
- (d) the Guarantee
- (e) the Keyman Insurance Assignment and
- (f) any other document which confers Security on the Finance Parties and any other document designated as such by the Security Trustee and the Company

Security Trust Deed means the security trust deed in agreed form entered into or to be entered into between the Security Trustee, the Company, the Guarantor, the Agent, the Original Lenders, the Arranger and each Hedge Counterparty

Share Mortgage means the mortgage over the entire issued share capital of the Company executed by the Guarantor in favour of the Security Trustee in agreed form

Specifications means those drawings, plans, bills of quantities and specifications for the Development Works advised to and approved by the Agent and the Project Monitor prior to the first Utilisation Date and which is delivered to and approved by the Agent in accordance with clause 4.1 (Initial conditions precedent)

Subordinated Creditor means Ability Developments Limited (registered in England under number 3280282)

Subordination Deed means a subordination deed executed or to be executed by the Company and the Subordinated Creditor in favour of the Security Trustee in agreed form

Utilisation means a utilisation of the Facility

Utilisation Date means the date of a Utilisation, being the date on which the relevant Loan is to be made

Utilisation Request means a notice substantially in the form set out in part I of schedule 3 of the Facility Agreement

Short particulars of all the property mortgaged or charged

Company Name: Ability (Baker Street) Limited

Company No: 5453405

- (c) by way of first fixed charge all other interests (not being charged by clauses 3.1(a) or 3.1(b) of the Deed) in any freehold or leasehold property, the buildings and fixtures (including trade fixtures) at any time thereon, all proceeds of sale derived therefrom and the benefit of all covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land;
- (d) by way of first fixed charge the benefit of all other agreements relating to the Premises to which it is or may become a party or otherwise entitled;
- (e) by way of first fixed charge all plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating to the same;
- (f) by way of first fixed charge all the Subsidiary Shares together with all Distribution Rights from time to time accruing thereto;
- (g) by way of first fixed charge all Investments together with all Distribution Rights from time to time accruing thereto;
- (h) by way of first fixed charge all rights and interests of the Company in and claims under all policies of insurance and all proceeds thereof either at the date of the Deed or in the future held by, or written in favour of, the Company or in which the Company is otherwise interested;
- (i) by way of first fixed charge all book and other debts, revenues and monetary claims of the Company and all rights and claims of the Company against third parties and against any security in respect of such debts, revenues or claims;
- (j) by way of first fixed charge all monies from time to time standing to the credit of any and all accounts with any bank, financial institution, or other person;
- (k) by way of first fixed charge all Intellectual Property;
- (l) by way of first fixed charge the benefit of all licences, consents, agreements and authorisations held or utilised by the Company in connection with its business or the use of any of its assets; and
- (m) by way of first fixed charge all the goodwill and uncalled capital of the Company.

2 As further continuing security for the payment of the Secured Obligations the Company charged with full title guarantee by way of first floating charge all its assets and undertaking whatsoever and wheresoever both present and future not effectively charged by way of first fixed charge pursuant to the provisions of clause 3.1 of the Deed or assigned pursuant to the provisions of clause 3.6 of the Deed.

If:

- (a) the Company creates (or purports to create) any Security on or over any of the Charged Property not expressed to be subject to a fixed charge under the Deed (a **Floating Charge Asset**) (unless the creation of such Security is permitted in writing

by the Security Trustee or is permitted under the terms of the Facility Agreement); or

- (b) any third party levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset; or
- (c) any corporate action, legal proceedings or other procedures or steps are taken for the winding up, dissolution, administration or reorganisation of the Company,

the floating charge created by the Deed will automatically (without notice) be converted into a fixed charge over the relevant Floating Charge Asset or, in the circumstances described in paragraph (c) above, all Floating Charge Assets, immediately such event occurs.

3 As a continuing security for the payment of the Secured Obligations the Company assigned with full title guarantee:

- (i) all its rights, title and interest in and to the Rental Income and any guarantee of Rental Income;
- (ii) all rights and claims to which it is at the date of the Deed or may in the future become entitled in relation to the Premises including, without limitation, all rights and claims it may have from time to time against any vendor or lessor or persons who at the date of this Deed are, have been or may become lessees, tenants, sub-lessees, sub-tenants, licensees or occupiers of the Premises and all guarantors and sureties for the obligations of such persons and any security taken from any such persons;
- (iii) all rights under any agreement or arrangement it may enter into now or in the future with any person for the purpose of or in connection with the fixing, capping or hedging of the rate of interest payable by it in respect of any Financial Indebtedness or other indebtedness including but not limited to the Hedging Agreement and any right or option to enter into any such agreement or arrangement; and
- (iv) to the extent that the same are capable of assignment;
 - (A) the benefit of the Relevant Agreements together with the benefit of all sums recovered in any proceedings in connection with such Relevant Agreements;
 - (B) the benefit of all rights and claims to which it is now or may in the future become entitled under all other present and future building contracts relating to the Premises and all guarantees, warranties and representations given or made by, and any rights and remedies against, all or any building contractors at any time engaged in relation to the Premises, together with the benefit of all sums recovered in any proceedings against all or any such persons; and
 - (C) the benefit of all other appointments, contracts, guarantees, representations, warranties and undertakings given or made by, and any rights or remedies against, all or any professional advisers at the date of the Deed or at any time engaged in relation to the Charged Property and the manufacturers, suppliers or installers of all plant, machinery, fixtures, fittings and other items at the date of the Deed or from time to time in or on the buildings erected or to be erected on

the Premises and any other person, firm or company at the date of the Deed or from time to time under contract with it or under a duty to it (including, without limitation, direct warranties between it and any sub-contractor and the benefit of any performance bond or a bond of any other form or content and/or any parent company guarantee or guarantees) together with the benefit of all sums recovered in any proceedings against all or any such persons.

NB1: Except to the extent permitted by the Facility Agreement, the Company will not, without the prior consent in writing of the Security Trustee:

- (a) create or agree or attempt to create or permit to subsist (in favour of any person other than the Security Trustee) any Security over the whole or any part of the Charged Property; or
- (b) (whether by a single transaction or a number of related or unrelated transactions and whether at the same time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of or cease to exercise direct control over all or any part of the Charged Property or any interest therein (other than assets the subject of the floating charge only on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same or agree or attempt to do so; or
- (c) dispose of the equity of redemption in respect of all or any part of the Charged Property.

NB2: The Company will at its own expense promptly execute such deeds, assurances, agreements, instruments and otherwise do such acts and things as the Security Trustee may reasonably require for perfecting and protecting the security created (or intended to be created) by the Deed or facilitating the realisation thereof or otherwise for enforcing the same or exercising any of the Security Trustee's rights thereunder

In this form the following terms shall have the following meanings:

Charged Property means all the assets, property, goodwill and undertaking of the Company from time to time charged or assigned to the Security Trustee pursuant to the terms of the Deed

Distribution Rights means all dividends, distributions and other income paid or payable on the relevant Investment or Subsidiary Share (as the case may be) together with all shares or other property derived from the relevant Investment or Subsidiary Share (as the case may be) together also with all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to the relevant Investment or Subsidiary Share (whether by way of conversion, redemption, bonus preference, option or otherwise)

Financial Indebtedness means any indebtedness for or in respect of:

- (a) moneys borrowed
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes,

debentures, loan stock or any similar instrument

- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis)
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account)
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution and
- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above

Intellectual Property means know how, patents, trade marks, service marks, designs, business names, copyrights, confidential information, computer software and all other intellectual property rights and any interest (including by way of licence) in any of the foregoing (in each case whether registered or not and including all applications for the same)

Investment means any negotiable instrument, certificate of deposit, debenture, share or other investment (as defined in Part II of Schedule 2 of the Financial Services and Markets Act 2001 (as amended from time to time) and Part III of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (as amended from time to time)

Occupational Lease means any unconditional agreement for lease or for licence or any occupational lease or licence to which the Property may be subject from time to time

Premises means all freehold and leasehold property from time to time owned by the Company or in which the Company is otherwise interested, including without limitation, the property described in schedule 1 to the Deed (a copy of which is attached to this form)

Relevant Agreements means the documents listed in schedule 2 of the Deed (a copy of which is attached to this form)

Rental Income means the aggregate of all amounts payable to, or for the benefit or account of, the Company in connection with the letting or permitted third party occupation of the whole or any part of the Property, including (without duplication or limiting the generality of the foregoing) each of the following:

- (a) rent (and any amount equivalent thereto) payable however or whenever it is described, reserved or made payable
- (b) amounts received under any guarantee of rent (howsoever described)
- (c) any increase of rent payable by virtue of an offer falling within the proviso of section 3(1) of the Landlord and Tenant Act 1927

- (d) any rent payable by virtue of a determination made by the Court under section 24(A) of the Landlord and Tenant Act 1954
- (e) amounts received from any deposit held as security for performance of any tenant's or occupier's obligations
- (f) any other moneys payable in respect of occupation and/or use of the whole or any part of the Property and every fixture and fitting therein and any and every fixture thereon for display or advertisement, on licence or otherwise
- (g) any profits awarded or agreed to be payable as a result of any proceedings taken or claim made for the same
- (h) any damages, compensation, settlement or expenses for, or representing loss of, rent or interest thereon awarded or agreed to be payable as a result of any proceedings taken or claim made for the same, net of any costs, fees and expenses paid (and which have not been reimbursed to, and which are not recoverable by, the Company from any party) in pursuing such proceedings or claim
- (i) any moneys payable under any policy of insurance in respect of loss of rent or interest thereon
- (j) any sum payable or the value of any consideration to be given by or on behalf of an actual or prospective tenant or occupier for the surrender or variation of any Occupational Lease and
- (k) any interest payable on any sum referred to above and any damages, compensation or settlement payable in respect of the same,

but after deducting the following amounts to the extent included above:

- (i) those amounts (if any) (together with any VAT or similar taxes charged thereon) due to the Company under an Occupational Lease by way of contribution to insurance premiums and the cost of insurance valuations or by way of service charges in respect of costs incurred or to be incurred by the Company under any repairing or similar obligations or in providing services under any Occupational Lease
- (ii) any contribution to a sinking fund paid by any tenant or other occupier
- (iii) any amount payable by an insurer under any policy of insurance in respect of loss of the amounts mentioned in paragraphs (i) and (ii) above or any damages, compensation, or settlement for, or representing loss of, the amounts mentioned in paragraphs (i) and (ii) above
- (iv) the portion of any sum payable or the value of any consideration to be given by or on behalf of a tenant or other occupier for the surrender or variation of any Occupational Lease which is fairly and properly attributable to the amounts mentioned in paragraphs (i) and (ii) above being reduced or ceasing to be payable by reason of such variation or surrender
- (v) any sum payable by a guarantor of any tenant or other occupier in respect of any amounts mentioned in paragraphs (i) to (iv) above;
- (vi) any interest payable on any sum referred to in paragraphs (i) to (v) above and any

damages, compensation or settlement in respect of the same and

- (vii) any VAT or similar taxes payable on any of the items listed in paragraphs (i) to (vi) above or on the Rental Income

Subsidiary means:

- (a) a subsidiary within the meaning of section 736 of the Companies Act 1985; and
- (b) a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985

Subsidiary Shares means all shares owned by the Company in its Subsidiaries from time to time incorporated in England and Wales

Schedule 1

Details of Properties

Freehold land and buildings known as Abbey House and Abbey House Annexe, Baker Street and 6 & 8 Melcombe Street, London as is registered at the Land Registry with Title Absolute under title numbers LN 89515; NGL 794045; LN 89607.

Schedule 2

The Relevant Agreements

- 1 The Building Contract
- 2 The Performance Bond
- 3 The Professional Appointments
- 4 The Collateral Warranties
- 5 The Works Programme
- 6 The Agreement for Lease
- 7 The Contract Guarantee
- 8 The Development Appraisal
- 9 The Housing Association Contract
- 10 The Purchase Agreement

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 05453405

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 28th JULY 2005 AND CREATED BY ABILITY (BAKER STREET) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE OBLIGORS TO THE SECURED PARTIES (OR ANY OF THEM) ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 5th AUGUST 2005.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 10th AUGUST 2005.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —