



Registration of a Charge

Company Name: **LEGAL & GENERAL HOMES MODULAR LIMITED**

Company Number: **09911886**



Received for filing in Electronic Format on the: **23/12/2021**

XAJYCCIG

Details of Charge

Date of creation: **23/12/2021**

Charge code: **0991 1886 0002**

Persons entitled: **NATIONAL WESTMINSTER BANK PLC**

Brief description: **THE FREEHOLD LAND LYING TO THE WEST OF LANDSEER AVENUE, BRISTOL REGISTERED AT HM LAND REGISTRY UNDER TITLE NUMBER BL157911.**

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

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: **WE 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:

STEPHENSON HARWOOD LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9911886

Charge code: 0991 1886 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd December 2021 and created by LEGAL & GENERAL HOMES MODULAR LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd December 2021 .

Given at Companies House, Cardiff on 31st December 2021

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**

Security Agreement

Dated 23 December **2021**

- (1) The Chargors listed in Schedule 1
 (the Original Chargors)**

- (2) National Westminster Bank Plc
 (the Security Agent)**

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THIS DEED

Dated 23 December 2021

BETWEEN:

- (1) The **COMPANIES** listed in Schedule 1 (the "**Original Chargors**"); and
- (2) **NATIONAL WESTMINSTER BANK PLC** (the "**Security Agent**") (registered number 00929027 of 250 Bishopsgate, London, England, EC2M 4AA) as security trustee for the Secured Parties (as defined in the Facility Agreement defined below).

BACKGROUND:

- (A) The Original Chargor enters into this Deed in connection with the Facility Agreement (as defined below).
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"**Account**" means any bank account held by a Chargor.

"**Act**" means the Law of Property Act 1925.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Chargor**" means the Original Chargor and each company which grants Security over its assets in favour of the Security Agent by executing a Security Accession Deed in accordance with Clause 17 (*Additional Chargors*).

"**Development Documents**" has the meaning given in the Facility Agreement.

"**Facility Agreement**" means the £25,000,000 facility agreement dated on or about the date of this Deed between (among others) the Original Chargor and the Security Agent.

"**Intellectual Property**" means, in relation to a Chargor:

- (a) any patents, petty patents, trade marks, service marks, trade names, domain names, rights in designs, software rights, utility models, database rights, copyrights, rights in the nature of copyright, and all other forms of intellectual or industrial property;
- (b) any rights in or to inventions, formulae, confidential or secret processes and information, know-how and similar rights, goodwill and any other rights and assets of a similar nature; and

- (c) any other right to use, or application to register or protect, any of the items listed in paragraphs (a) or (b) above,

arising or subsisting in any jurisdiction and whether registered or not.

"Investments" means, in relation to a Chargor:

- (a) all shares in any member of the Group (other than itself) owned by that Chargor or held by any nominee or trustee on its behalf; and
- (b) all other shares, stocks, debentures, bonds or other securities or investments owned by that Chargor or held by any nominee or trustee on its behalf.

"Mortgaged Property" means all freehold or leasehold constituting a Borrower Developed Property.

"New Chargor" is defined in Clause 17 (*Additional Chargors*).

"Party" means a party to this Deed.

"Receiver" means a receiver or receiver and manager or administrative receiver, in each case appointed under this Deed.

"Relevant Contract" means:

- (a) an agreement relating to the purchase of a Property by a Chargor; or
- (b) a sale agreement or pre-sale agreement relating to a Property or a Unit at a Property; or
- (c) any other document relating to a Borrower Developed Property and designated as such by the Security Agent (acting reasonably).

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Transaction Obligor to any Secured Party under each Finance Document.

"Security" means a mortgage, charge, pledge, lien, assignment by way of security, retention of title provision, trust or flawed asset arrangement (for the purpose of, or which has the effect of, granting security) or other security interest securing any obligation of any person or any other agreement or arrangement in any jurisdiction having a similar effect.

"Security Accession Deed" means a deed executed by a New Chargor substantially in the form set out in Schedule 6 (*Form of Security Accession Deed*), with those amendments which the Security Agent may approve or reasonably require.

"Security Asset" means, in relation to a Chargor any asset of that Chargor which is, or is expressed to be, subject to any Security created by this Deed.

"Security Period" means the period beginning on the date of this Deed and ending on the date on which:

- (a) all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full; and
- (b) no Secured Party is under any commitment, obligation or liability (actual or contingent) to make any advance or to make available any other financial accommodation to any Transaction Obligor pursuant to the Finance Documents.

1.2 Construction

- (a) Capitalised terms defined in the Facility Agreement have the same meaning in this Deed unless expressly defined in this Deed.
- (b) The provisions of clause 1.2 (*Construction*) of the Facility Agreement apply to this Deed as though they were set out in full in this Deed except that references to the Facility Agreement will be construed as references to this Deed.
- (c) Unless a contrary indication appears, a reference in this Deed to:
 - (i) a Finance Document or Transaction Document or any other agreement or instrument is a reference to that Finance Document or Transaction Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
 - (ii) the words **include(s)**, **including** and **in particular** shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as limiting the generality of any preceding words;
 - (iii) **liabilities** means any obligation, whether incurred as principal or as surety, whether or not in respect of indebtedness, whether present or future, actual or contingent and whether owed jointly or severally or in any other capacity;
 - (iv) any rights in respect of an asset includes:
 - (A) all amounts and proceeds paid or payable;
 - (B) all rights to make any demand or claim; and
 - (C) all powers, remedies, causes of action, security, guarantees and indemnities,
 in each case in respect of or derived from that asset;
 - (v) any share, stock, debenture, bond or other security or investment includes:
 - (A) any dividend, interest or other distribution paid or payable;
 - (B) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,

in each case in respect of that share, stock, debenture, bond or other security or investment; and

- (vi) the term "**this Security**" means any Security created by this Deed.
- (d) Any covenant of a Chargor under this Deed (other than a payment obligation which has been discharged) remains in force during the Security Period.
- (e) The terms of the other Finance Documents and of any other agreement or instrument between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition, or any agreement for the disposition, of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (f) If the Security Agent considers that an amount paid to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (g) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.
- (h) Each of the mortgages, fixed charges and assignments contained in Clause 2.2 (*Land*) to 2.10 (*Miscellaneous*) over each category of assets, and each asset specified in those Clauses shall be read and construed separately, as though each category and asset were mortgaged, charged or assigned (as applicable) independently and separately of each other.
- (i) The liabilities of the Chargors under this Deed are joint and several.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind, vary, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under this Deed at any time.
- (c) Any Receiver, any Secured Party or any other person described in Clause 10.4 (*Protection of third parties*) may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to paragraph (b) above and the provisions of the Third Parties Act.

1.4 Effect as a Deed

This Deed is intended to take effect as a deed notwithstanding that the Security Agent may have executed it under hand only.

2 CREATION OF SECURITY

2.1 General

- (a) Each Chargor must pay or discharge the Secured Liabilities in the manner provided for in the Finance Documents.
- (b) All the Security created under this Deed:
 - (i) is created in favour of the Security Agent;
 - (ii) is created over present and future assets of the Chargors;
 - (iii) is security for the payment and discharge of all the Secured Liabilities; and
 - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (c)
 - (i) If the rights of a Chargor under the Relevant Contracts and Development Documents cannot be secured by the first Utilisation Date without the consent of a party whose consent is required:
 - (A) the relevant Chargor must notify the Security Agent promptly;
 - (B) this Security will constitute security over all proceeds and other amounts which the relevant Chargor may receive, or has received, under the relevant Development Document and/or Relevant contract but will exclude the relevant Chargor's other rights under that Development Document and/or Relevant Contract; and
 - (C) unless the Security Agent otherwise requires, the relevant Chargor must use its reasonable endeavours to obtain the required consent or satisfy the relevant condition.
 - (ii) If the relevant Chargor obtains the required consent or satisfies the relevant condition:
 - (A) it must notify the Security Agent promptly;
 - (B) all of its rights under that Development Document and/or Relevant Contract will immediately be secured in accordance with Clause 2.9 (*Other contracts*); and
 - (C) Clause 8 (*Other Contracts*) will apply to that Development Document and/or Relevant Contract.]
- (d) The Security Agent holds the benefit of this Deed and this Security on trust for the Secured Parties.

2.2 Land

- (a) Each Chargor charges:
 - (i) by way of a first legal mortgage all estates or interests in any freehold or leasehold Borrower Developed Property now owned by it, as set out in Schedule 2 (*Real Property*); and
 - (ii) (to the extent that they are not the subject of a mortgage under paragraph (i) above) by way of a first fixed charge all estates or interests in any freehold or leasehold Borrower Developed Property now owned by it or subsequently owned by it.
- (b) A reference in this Clause 2 (*Creation of Security*) to a mortgage or charge of any freehold or leasehold Borrower Developed Property includes:
 - (i) all buildings, fixtures, fittings and fixed plant and machinery on that Borrower Developed Property; and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the relevant Chargor in respect of that Borrower Developed Property or any moneys paid or payable in respect of those covenants.

2.3 Investments

Each Chargor:

- (a) mortgages all shares in any Obligor (other than itself) owned by it or held by any nominee or trustee on its behalf; and
- (b) (to the extent that they are not the subject of a mortgage under paragraph (a) above) charges by way of a first fixed charge its interest in all its Investments.

2.4 Book debts etc.

Each Chargor charges by way of a first fixed charge:

- (a) all of its book and other debts;
- (b) all other moneys due and owing to it; and
- (c) the benefit of all rights in relation to any item under paragraphs (a) or (b) above.

2.5 Insurances

- (a) Each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights under any contract or policy of insurance taken out by it or on its behalf or in which it has an interest in respect of a Property, a Unit or a Development (together, the "**Insurance Rights**").

- (b) To the extent that they have not been effectively assigned under paragraph (a) above, each Chargor charges by way of a first fixed charge all of its Insurance Rights.

2.6 Development Documents

Each Chargor charges by way of fixed charge all its rights:

- (a) under any collateral warranty given by any trade or building sub contractor, any consultant, or any other adviser in its favour, or of which it has the benefit, in relation to the Development; and
- (b) under each Development Document (other than a Collateral Warranty and a Borrower Contractor Building Contract).

2.7 Other contracts

- (a) Each Chargor:
 - (i) assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights:
 - (A) under each Relevant Contract to which it is a party; and
 - (B) under any document, agreement or instrument to which it and any nominee or trustee is party in respect of an Investment; and
 - (ii) charges by way of a first fixed charge all of its rights under any other document, agreement or instrument to which it is a party, which has been given in its favour or of which it has the benefit, except to the extent that it is subject to any fixed security created under any other term of this Clause 2 (*Creation of Security*).
- (b) To the extent that they have not been effectively assigned under paragraph (a)(i) above, each Chargor charges by way of a first fixed charge all of its rights listed under paragraph (a)(i) above.

2.8 Miscellaneous

Each Chargor charges by way of first fixed charge:

- (a) its goodwill;
- (b) its Intellectual Property;
- (c) the benefit of any Authorisation (statutory or otherwise) held in connection with its use of any Security Asset;
- (d) the right to recover and receive compensation which may be payable to it in respect of any Authorisation referred to in paragraph (c) above;
- (e) its uncalled capital;

- (f) the benefit of all other contracts, guarantees, appointments and warranties relating to each Mortgaged Property and other documents to which a Chargor is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of any Mortgaged Property or otherwise relating to any Mortgaged Property (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them); and
- (g) the benefit of all rights in relation to any item under paragraphs (a) to (f) above.

2.9 Floating charge

- (a) Each Chargor charges by way of a first floating charge all its assets not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, fixed charge or assignment under this Clause 2 (*Creation of Security*).
- (b) Except as provided below, the Security Agent may by notice to a Chargor convert the floating charge created by this Clause 2.9 (*Floating charge*) into a fixed charge as regards any of that Chargor's assets specified in that notice if:
 - (i) an Event of Default is continuing; or
 - (ii) the Security Agent considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- (c) Subject to paragraph (d) below, the floating charge created by this Clause 2.9 (*Floating charge*) may not be converted into a fixed charge solely by reason of:
 - (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium, under Part A1 of the Insolvency Act 1986.
- (d) Paragraph (c) above does not apply in respect of any floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.
- (e) The floating charge created by a Chargor under this Clause 2.9 (*Floating charge*) will (in addition to the circumstances when this may occur under the general law) automatically convert into a fixed charge over all of that Chargor's assets if an administrator is appointed or the Security Agent receives notice of an intention to appoint an administrator.

- (f) The floating charge created by this Clause 2.9 (*Floating charge*) is a **"qualifying floating charge"** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

2.10 Trust

- (a) If or to the extent that the assignment or charging of any Security Asset is ineffective because of a prohibition on that assignment or charging, then each relevant Chargor holds it on trust for the Security Agent.
- (b) If the prohibition referred to in paragraph (a) above is due to the fact a consent or waiver must be obtained or a condition must be satisfied, then the relevant Chargor must seek the relevant consent or waiver or satisfy the condition in accordance with paragraph 2.1(c)(i) of Clause 2.1 (*General*) of this Deed.
- (c) On the waiver or consent being obtained, or the condition being satisfied, the Security Asset shall be mortgaged, charged or assigned (as appropriate) under this Clause 2 (*Creation of Security*) and, in relation to such Security Asset, the trust referred to in paragraph (a) above shall terminate.

3 RESTRICTIONS ON DEALINGS

3.1 Security

Except as expressly allowed under the Facility Agreement or this Deed, no Chargor may create or permit to subsist any Security on any Security Asset.

3.2 Disposals

Except as expressly allowed under the Facility Agreement or this Deed, no Chargor may enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to dispose of all or any part of any Borrower Developed Property, or enter into any agreement to make any such disposal.

4 LAND

4.1 Registration at Companies House

Each Chargor consents to the registration of this Deed and any Security Accession Deed at Companies House pursuant to Part 25 of the Companies Act 2006.

4.2 HM Land Registry

- (a) Each Chargor consents to a restriction in the following terms being entered into on the register of title relating to any Mortgaged Property registered at HM Land Registry:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of National Westminster Bank Plc referred to in the charges register or without a certificate signed by a conveyancer that the provisions of 20.4 and 26.2 of a facility agreement dated [] and made between the proprietor of the

registered estate and the proprietor of the registered charge have been complied with or that they do not apply to the disposition. (Standard Form P)".

- (b) Each Chargor consents to the registration of a notice against the register of title relating to any Mortgaged Property registered at HM Land Registry that the Lenders are under an obligation to make further advances on the terms and subject to the conditions of the Finance Documents.

4.3 Deposit of title deeds

Each Chargor must immediately:

- (a) deposit with the Security Agent all deeds and documents necessary to show good and marketable title to any Borrower Developed Property (the "**Title Documents**"); or
- (b) procure that the Title Documents are held to the order of the Security Agent by a firm of solicitors approved by the Security Agent for that purpose.

5 INVESTMENTS

5.1 Deposit

Each Chargor must immediately:

- (a) deposit with the Security Agent, or as the Security Agent may direct, all certificates and other documents of title or evidence of ownership in relation to its Investments; and
- (b) execute and deliver to the Security Agent all share transfers and other documents which may be requested by the Security Agent in order to enable the Security Agent or its nominees, at any time following an Event of Default which is continuing, to be registered as the owner of or otherwise obtain a legal title to its Investments.

5.2 Calls

- (a) Each Chargor must pay all calls or other payments due and payable in respect of any of its Investments in accordance with the Facility Agreement.
- (b) If the relevant Chargor fails to do so, the Security Agent may pay the calls or other payments in respect of any of its Investments on behalf of that Chargor. The relevant Chargor must within three Business Days of demand reimburse the Security Agent for any payment made by the Security Agent under this Clause 5.2 (*Calls*).

5.3 Other obligations in respect of Investments

- (a) Each Chargor must promptly send a copy to the Security Agent of, and comply with all requests for, information which is within its knowledge and which are made under any law or regulation or any similar provision contained in any articles of association or other constitutional document, or by any listing or other authority, relating to any of its Investments. If it fails to do so, the

Security Agent may elect to provide such information as it may have on behalf of the relevant Chargor.

- (b) Each Chargor must comply with all other conditions and material obligations assumed by it in respect of any of its Investments.
- (c) The Security Agent is not obliged to:
 - (i) perform any obligation of any Chargor;
 - (ii) make any payment;
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or any Chargor; or
 - (iv) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,

in respect of any of its Investments.

5.4 Voting rights

- (a) Until such time as the Security Agent makes a demand under paragraph (c) below:
 - (i) the voting rights, powers and other rights in respect of its Investments will be exercised:
 - (A) by the relevant Chargor; or
 - (B) if exercisable by the Security Agent, in any manner which the relevant Chargor may direct the Security Agent in writing; and
 - (ii) all dividends, distributions or other income paid or payable in relation to any of its Investments in accordance with the Facility Agreement must be paid into the General Account.
- (b) Each Chargor must indemnify the Security Agent against any loss or liability incurred by the Security Agent as a consequence of the Security Agent acting in respect of any of its Investments as permitted by this Deed on the direction of the relevant Chargor.
- (c) Following the occurrence of an Event of Default which is continuing, the Security Agent may, on demand, exercise (in the name of the relevant Chargor and without any further consent or authority on the part of that Chargor) any voting rights and any powers or rights which may be exercised by the legal or beneficial owner of any Investment, any person who is the holder of any Investment or otherwise.

6 ACCOUNTS

6.1 General

In this Clause 6 (*Accounts*) "**Account Bank**" means a person with whom an Account is maintained.

6.2 Notices of charge

Each Chargor must:

- (a) immediately after execution of this Deed (or, if acceding to this Deed, execution of the relevant Security Accession Deed) serve a notice of charge, substantially in the form of Part 1 of Schedule 3 (*Forms of letter for Account Bank*) on the Account Bank which holds an Account, and deliver to the Security Agent a copy of that notice; and
- (b) use reasonable endeavours to ensure that the Account Bank which holds that Account acknowledges the notice served on it pursuant to paragraph (a) above, substantially in the form of Part 2 of Schedule 3 (*Forms of letter for Account Bank*).

7 INSURANCES

Each Chargor must immediately after:

- (a) execution of this Deed (or, if acceding to this Deed, execution of the relevant Security Accession Deed); or
- (b) (as the case may be) execution of any insurance in respect of the Insurance Rights entered into by it after the date of this Deed (or any relevant Security Accession Deed) (to the extent the relevant counterparty has not already been notified of the assignment created under Clause 2.7 (*Insurances*)),

serve a notice of assignment, substantially in the form of Part 1 of Schedule 4 (*Forms of letter for insurers*) (or such other form approved by the Security Agent), on each counterparty to any insurance in respect of the Insurance Rights and deliver to the Security Agent a certified copy of each such notice; and

- (c) use reasonable endeavours to ensure that each counterparty served with a notice under this Clause 7 acknowledges that notice, substantially in the form of Part 2 of Schedule 4 (*Forms of letter for insurers*), or such other form approved by the Security Agent.

8 OTHER CONTRACTS

Each Chargor must, at the request of the Security Agent (prior to an Event of Default which is continuing, acting reasonably):

- (a) promptly serve a notice of assignment or charge (as applicable), substantially in the form of Part 1 of Schedule 5 (*Forms of letter for other contracts*), on each counterparty:

- (i) to a contract referred to in Clause 2.7(b) (*Development Documents*); or
- (ii) following an Event of Default which is continuing, Clause 2.9 (*Other contracts*) to which it is a party,

and deliver to the Security Agent a certified copy of each such notice; and

- (b) use reasonable endeavours to ensure that each such counterparty served with a notice under paragraph (a) above acknowledges that notice, substantially in the form of Part 2 of Schedule 5 (*Forms of letter for other contracts*).

9 WHEN SECURITY BECOMES ENFORCEABLE

9.1 Event of Default

This Security will become immediately enforceable if an Event of Default occurs and is continuing.

9.2 Discretion

After this Security has become enforceable, the Security Agent may enforce all or any part of this Security in any manner it sees fit or as instructed in accordance with the Facility Agreement.

9.3 Statutory powers

The power of sale and other powers conferred by section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

10 ENFORCEMENT OF SECURITY

10.1 General

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- (c) The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with any provision of section 99 or section 100 of the Act.

10.2 No liability as mortgagee in possession

Neither the Security Agent nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

10.3 Privileges

The Security Agent and each Receiver is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that section 103 of the Act does not apply.

10.4 Protection of third parties

No person (including a purchaser) dealing with the Security Agent or a Receiver or its or his/her agents will be concerned to enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Security Agent or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Finance Documents; or
- (d) how any money paid to the Security Agent or to that Receiver is to be applied.

10.5 Redemption of prior mortgages

- (a) At any time after this Security has become enforceable, the Security Agent may:
 - (i) redeem any prior Security against any Security Asset; and/or
 - (ii) procure the transfer of that Security to itself; and/or
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargors.
- (b) The Chargors must pay to the Security Agent, within three Business Days of demand, the costs and expenses incurred by the Security Agent in connection with any such redemption and/or transfer, including the payment of any principal or interest.

10.6 Contingencies

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Security Agent (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it to be applied in accordance with the Facility Agreement.

10.7 Financial collateral

- (a) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of a Chargor under this Deed constitute a "security financial collateral arrangement" (in each case, for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003), the Security Agent will have the right after this Security has become

enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.

(b) Where any financial collateral is appropriated:

- (i) if it is listed or traded on a recognised exchange, its value will be taken as being the value at which it could have been sold on the exchange on the date of appropriation; or
- (ii) in any other case, its value will be such amount as the Security Agent reasonably determines having taken into account advice obtained by it from an independent commercial property adviser, investment bank or accountancy firm of national standing selected by it,

and each Finance Party will give credit for the proportion of the value of the financial collateral appropriated to its use.

10.8 Preservation of Security

(a) **Waiver of defences**

Neither the Security created by this Deed nor the obligations of any Chargor under this Deed will be affected by an act, omission, matter or thing which, but for this Clause 10.8 (*Preservation of Security*), would reduce, release or prejudice that Security or any of those obligations (whether or not known to it, the Security Agent or any other Secured Party) including:

- (i) any time, waiver or consent granted to, or composition with, any Transaction Obligor, the Chargors, or other person;
- (ii) the release of any Transaction Obligor, the Chargors, or any other person under the terms of any composition or arrangement with any person;
- (iii) the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over, assets of any Transaction Obligor, the Chargors, or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Transaction Obligor, Chargors, or any other person;
- (v) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any document or Security, including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or Security;

- (vi) any unenforceability, illegality or invalidity of any obligation of, or any Security created by, any person under any Finance Document or any other document; or
- (vii) any insolvency, liquidation, administration or similar proceedings.

(b) **Chargor intent**

Without prejudice to the generality of paragraph (a) (*Waiver of defences*) above, each Chargor expressly confirms that it intends that the Security created by this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following:

- (i) acquisitions of any nature;
- (ii) increasing working capital;
- (iii) enabling distributions to be made;
- (iv) carrying out restructurings;
- (v) refinancing existing facilities;
- (vi) refinancing any other indebtedness;
- (vii) making facilities available to new borrowers;
- (viii) any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and
- (ix) any fees, costs and expenses associated with any of the foregoing.

(c) **Immediate recourse**

Each Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security, claim or payment from any person before claiming from the Chargors under this Deed. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

(d) **Appropriations**

During the Security Period, each Secured Party may:

- (i) refrain from applying or enforcing any moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Liabilities, or, subject to Clause 13 (*Application of proceeds*), apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and no Chargor shall be entitled to the benefit of the same; and

- (ii) hold in an interest-bearing suspense account any moneys received from any Chargor or on account of the Secured Liabilities.

(e) **Deferral of Chargor's rights**

During the Security Period, unless the Security Agent directs otherwise, no Chargor shall exercise any rights which it may have by reason of performance by it of its obligations under this Deed or the enforcement of the Security created by this Deed:

- (i) to receive or claim payment from, or be indemnified by a Transaction Obligor;
- (ii) to claim any contribution from any guarantor of, or party who has granted Security in respect of, any Transaction Obligor's obligations under the Finance Documents;
- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Secured Party under any Finance Document or of any guarantee or Security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
- (iv) to exercise any right of set-off against any Transaction Obligor; or
- (v) to claim or prove as a creditor of any Transaction Obligor in competition with any Secured Party.

If a Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent as the Security Agent may direct for application in accordance with this Deed and the Facility Agreement.

(f) **Additional Security**

This Deed is in addition to, is not in any way prejudiced by and shall not merge with any contractual right or remedy or other Security now or in the future held by or available to any Finance Party.

11 RECEIVER

11.1 Appointment of Receiver

- (a) Except as provided below, the Security Agent may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
 - (i) Security created by a Chargor under this Deed has become enforceable; or
 - (ii) that Chargor so requests to the Security Agent at any time.
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.

- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.
- (d) The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency Act 1986 other than in respect of a floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.
- (e) The Security Agent may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Security Agent is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

11.2 Removal

The Security Agent may 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 thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

11.3 Remuneration

The Security Agent may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the Act will not apply.

11.4 Agent of the Chargor

- (a) A Receiver will be deemed to be the agent of the relevant Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The relevant Chargor alone is responsible for any contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.
- (b) No Secured Party will incur any liability (either to a Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

11.5 Relationship with Security Agent

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Security Agent in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

12 POWERS OF RECEIVER

12.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause 12 (*Powers of Receiver*) in addition to those conferred on it by any law. This includes:

- (i) in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986; and
 - (ii) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him/her states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

12.2 Possession

A Receiver may take immediate possession of, get in and realise any Security Asset.

12.3 Carry on business

A Receiver may carry on any business of a Chargor in any manner he/she thinks fit.

12.4 Employees

- (a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he/she thinks fit.
- (b) A Receiver may discharge any person appointed by a Chargor.

12.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he/she thinks fit.

12.6 Sale of assets

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he/she thinks fit.
- (b) The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he/she thinks fit.
- (c) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of a Chargor.

12.7 Leases

A Receiver may let any Security Asset for any term and at any rent (with or without a premium) which he/she thinks fit and may accept a surrender of any lease or tenancy of any Security Asset on any terms which he/she thinks fit (including the payment of money to a lessee or tenant on a surrender).

12.8 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of a Chargor or relating in any way to any Security Asset.

12.9 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he/she thinks fit.

12.10 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

12.11 Subsidiaries

A Receiver may form a Subsidiary of a Chargor and transfer to that Subsidiary any Security Asset.

12.12 Delegation

A Receiver may delegate his/her powers in accordance with this Deed.

12.13 Lending

A Receiver may lend money or advance credit to any person.

12.14 Protection of assets

A Receiver may:

- (a) effect any repair or insurance and do any other act which a Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;
- (b) commence and/or complete any building operation; and
- (c) apply for and maintain any planning permission, building regulation approval or any other Authorisation,

in each case as he/she thinks fit.

12.15 Other powers

A Receiver may:

- (a) do all other acts and things which he/she may consider necessary or desirable for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which he/she would be capable of exercising if he/she were the absolute beneficial owner of that Security Asset; and

- (c) use the name of a Chargor for any of the above purposes.

13 APPLICATION OF PROCEEDS

All amounts from time to time received or recovered by the Security Agent or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or part of this Security will be held by the Security Agent and applied in accordance with the Facility Agreement. This Clause 13 (*Application of proceeds*):

- (a) is subject to the payment of any claims having priority over this Security; and
- (b) does not prejudice the right of any Secured Party to recover any shortfall from the Chargors,

and section 109(8) of the Act shall not apply.

14 DELEGATION

14.1 Power of attorney

The Security Agent or any Receiver may, at any time, delegate by power of attorney or otherwise to any person for any period all or any right, power, authority or discretion exercisable by it under this Deed.

14.2 Terms

Any such delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Agent or that Receiver (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties.

14.3 Liability

Neither the Security Agent nor any Receiver shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

15 FURTHER ASSURANCES

- (a) Each Chargor must promptly, at its own expense, take whatever action the Security Agent or a Receiver may require for:
- (i) creating, perfecting or protecting any security over any Security Asset; or
- (ii) upon the occurrence of an Event of Default which is continuing, facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Security Agent or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset.

- (b) The action that may be required under paragraph (a) above includes:
 - (i) the execution of any mortgage, charge, transfer, conveyance, assignment or assurance of any asset, whether to the Security Agent or to its nominees; or
 - (ii) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Agent may consider necessary or desirable.

16 POWER OF ATTORNEY

- (a) Subject to paragraphs (b) and (c) below, each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their respective Delegates or sub-delegates to be its attorney with the full power and authority of that Chargor to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case which may be required or which any attorney may in its absolute discretion deem necessary for carrying out any obligation of the relevant Chargor under or pursuant to this Deed or generally for enabling the Security Agent or any Receiver to exercise the respective powers conferred on them under this Deed or by law.
- (b) The Security Agent, each Receiver or any of their respective delegates or subdelegates (as applicable) may only exercise their rights and powers pursuant to the power of attorney granted under paragraph (a) above following the occurrence of an Event of Default which is continuing.
- (c) Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 16 (*Power of attorney*).

17 ADDITIONAL CHARGORS

- (a) The Original Chargor may request that any Subsidiary (the "**New Chargor**") becomes a Chargor.
- (b) The New Chargor shall, with the prior written approval of the Security Agent become a Chargor if:
 - (i) the New Chargor and the Original Chargor deliver to the Security Agent in form and substance satisfactory to it:
 - (A) a duly completed and executed Security Accession Deed;
 - (B) certified extracts from the minutes of a meeting of their respective boards of directors evidencing the due authorisation and execution of the Security Accession Deed by each of the New Chargor and the Original Chargor respectively; and
 - (C) any other conditions precedent required by the Finance Documents; and

- (ii) the Original Chargor confirms to the Security Agent in writing that no Default is continuing or would occur as a result of the New Chargor becoming a Chargor.
- (c) The New Chargor shall become a Chargor under this Deed with effect from the time when the Security Accession Deed takes effect, at which point:
 - (i) the New Chargor shall become bound by all the terms of this Deed and shall assume the same obligations as "Chargor" as if it were an original Party to this Deed; and
 - (ii) each Original Chargor shall assume the same obligations in respect of the New Chargor as if it were an original Party to this Deed.

18 MISCELLANEOUS

18.1 Continuing security

This Security is a continuing security and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.

18.2 Tacking

The Security Agent confirms on behalf of the Lenders (without personal liability) that each Lender will perform its obligations under the Facility Agreement (including any obligation to make available further advances).

18.3 New accounts

- (a) If any subsequent charge or other interest affects any Security Asset, a Secured Party may open a new account with each Borrower.
- (b) If that Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.
- (c) As from that time all payments made to that Secured Party by a Borrower will be credited or be treated as having been credited to the new account of that Borrower and will not operate to reduce any Secured Liability, provided however that if the aggregate of such amounts standing to the credit of the new account are sufficient to repay the Secured Liabilities in full, that Secured Party shall apply such amounts in repayment of the Secured Liabilities in accordance with the terms of the Facility Agreement.

18.4 Time deposits

Without prejudice to any right of set-off any Secured Party may have under any other Finance Document or otherwise, if any time deposit matures on any account any Chargor has with any Secured Party within the Security Period when:

- (a) this Security has become enforceable; and
- (b) no Secured Liability is due and payable,

that time deposit will automatically be renewed for any further maturity which that Secured Party considers appropriate.

18.5 Notice to Chargor

This Deed constitutes notice in writing to each Chargor of any charge or assignment of a debt owed by each Chargor to any Transaction Obligor and contained in any other Security Document.

19 RELEASE

At the end of the Security Period, the Finance Parties must, at the request and cost of the Chargors, take whatever action is necessary to release its Security Assets from this Security.

20 NOTICES

20.1 Communications in writing

Any communication to be made under or in connection with this Deed and any Finance Documents pursuant to it shall be made in writing and, unless otherwise stated, may be made by fax or letter.

20.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is:

- (a) in the case of each Chargor, that identified with its name below;
- (b) in the case of the Security Agent, that identified with its name below,

or any substitute address or fax number or department or officer as the Party may notify to the other Parties, if a change is made by not less than five Business Days' notice.

20.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:
 - (i) if by way of fax, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 21.2 (*Addresses*), if addressed to that department or officer.

- (b) Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or

officer identified with the Security Agent's signature below (or any substitute department or officer as the Security Agent shall specify for this purpose).

- (c) Any communication or document which becomes effective, in accordance with Clause 21.2 (*Addresses*) or this Clause 21.3 (*Delivery*), after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

20.4 English language

- (a) Any notice given under or in connection with this Deed must be in English.
- (b) All other documents provided under or in connection with this Deed must be in English

21 COUNTERPARTS

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

22 CONTRACTUAL RECOGNITION OF BAIL-IN

The Parties agree that Clause 39 (*Contractual recognition of bail-in*) of the Facility Agreement shall be deemed to be set out in full in this Deed with all references to "any Finance Document" or "the Finance Documents" being replaced with a reference to "this Deed".

23 GOVERNING LAW

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

24 ENFORCEMENT

24.1 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) Notwithstanding paragraphs (a) and (b) above, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

This Deed has been executed and delivered as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1 THE ORIGINAL CHARGORS

Name of Chargor	Registered number (or equivalent, if any)
LEGAL & GENERAL HOMES MODULAR LIMITED	09911886

SCHEDULE 2 REAL PROPERTY

Name of Chargor	Description, address and title number of freehold or leasehold Borrower Developed Property
Legal & General Homes Modular Limited	The freehold land lying to the west of Landseer Avenue, Bristol registered at HM Land Registry under title number BL157911.

SCHEDULE 3

FORMS OF LETTER FOR ACCOUNT BANK

Part 1

Notice to Account Bank which holds an Account

To: [Account Bank]

Copy: [Security Agent] (as Security Agent as defined below)

[Date]

Dear Sirs,

**Security Agreement dated [] between [name of relevant Chargor]
and [Security Agent] (the "Security Agreement")**

- 1 We refer to the following account (held by us with you):

[account name, number and sort code of the Account],

as it may from time to time be re-designated or re-numbered (the "**Account**").
- 2 This letter constitutes notice to you that under the Security Agreement we have charged by way of floating charge in favour of [Security Agent] (as trustee for the Secured Parties as referred to in the Security Agreement, the "**Security Agent**") all our rights in respect of the Account, and any amount standing to the credit of the Account.
- 3 In respect of the Account:
 - (a) we irrevocably instruct and authorise you to disclose to the Security Agent any information relating to the Account requested from you by the Security Agent from time to time; and
 - (b) we are permitted to withdraw any amount from the Account for any purpose unless and until you receive a notice from the Security Agent stating that we are no longer permitted to withdraw any amount from the Account without its consent. If and from the date on which you receive such a notice:
 - (i) we will not be permitted to withdraw any amount from the Account without the prior written consent of the Security Agent; and
 - (ii) we irrevocably authorise and instruct you to:
 - (A) comply with the terms of any written notice or instruction relating to the Account received by you from the Security Agent;
 - (B) hold all sums standing to the credit of the Account to the order of the Security Agent; and

(C) pay or release any sum standing to the credit of the Account in accordance with the instructions of the Security Agent.

- 4 We acknowledge that you may comply with the instructions in this letter without any further permission from us.
- 5 The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.
- 6 This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.
- 7 Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Security Agent at [address] marked for the attention of [] with a copy to us.

Yours faithfully,

.....

(Authorised signatory)

[name of relevant Chargor]

Part 2

[Acknowledgement of Account Bank which holds an Account]

To: [Security Agent] (as Security Agent)

Attn: []

Copy: [name of relevant Chargor]

[Date]

Dear Sirs,

Security Agreement dated [] between [name of relevant Chargor] and [Security Agent] (the "Security Agreement")

We confirm receipt from [name of relevant Chargor] (the "**Chargor**") of a notice dated [] (the "**Notice**") of a charge upon the terms of the Security Agreement over all the rights of the Chargor to the Account (as defined in the Notice).

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice;
- (b) have not received notice of any prior security over, or the interest of any third party in, the Account;
- (c) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of the Account; and
- (d) will comply with any notice we may receive from the Security Agent in respect of the Account.

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

Yours faithfully,

.....

(Authorised signatory)

[Account Bank]

SCHEDULE 4

FORMS OF LETTER FOR INSURERS

Part 1

Notice to insurer

To: [Insurer]

Copy: [Security Agent] (as Security Agent as defined below)

[Date]

Dear Sirs,

**Security Agreement dated [] between [name of relevant Chargor]
and [Security Agent] (the "Security Agreement")**

This letter constitutes notice to you that under the Security Agreement we have assigned absolutely (by way of security), subject to a proviso for re-assignment on redemption, to [Security Agent] (as trustee for the Secured Parties as referred to in the Security Agreement, the "**Security Agent**") all our rights in respect of [insert details of contract of insurance] and any other present or future contract or policy of insurance in relation to [insert relevant details] to which we are a party or in which we have an interest (the "**Insurance**").

We confirm that:

- (a) we will remain liable under the Insurance to perform all the obligations assumed by us under the Insurance; and
- (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Insurance (unless, and to the extent, otherwise expressly provided for in the Insurance).

We will also remain entitled to exercise all our rights, powers and discretions under the Insurance, and you should continue to give notices and make payments under the Insurance to us (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Security Agent in respect of the Insurance), unless and until you receive notice from the Security Agent to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Security Agent or as it directs (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Security Agent in respect of the Insurance).

We irrevocably instruct and authorise you to disclose to the Security Agent any information relating to the Insurance requested from you by the Security Agent.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Agent at [address] marked for the attention of [] with a copy to us.

Yours faithfully,

.....

(Authorised signatory)

[name of relevant Chargor]

Part 2

Acknowledgement of insurer

To: [Security Agent] (as Security Agent)

Attn: []

Copy: [name of relevant Chargor]

[Date]

Dear Sirs,

**Security Agreement dated [] between [name of relevant Chargor]
and [Security Agent] (the "Security Agreement")**

We confirm receipt from [name of relevant Chargor] (the "**Chargor**") of a notice dated [] (the "**Notice**") of an assignment on the terms of the Security Agreement of all the Chargor's rights in respect of [insert details of the contract of insurance] (the "**Insurance**").

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice;
and
- (b) will give notices and make payments under the Insurance as directed in the Notice.

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

Yours faithfully,

.....

(Authorised signatory)

[Insurer]

SCHEDULE 5
FORMS OF LETTER FOR OTHER CONTRACTS

Part 1
Notice to counterparty

To: [Contract counterparty]

Copy: [Security Agent] (as Security Agent as defined below)

[Date]

Dear Sirs,

**Security Agreement dated [] between [name of relevant Chargor]
and [Security Agent] (the "Security Agreement")**

This letter constitutes notice to you that under the Security Agreement we have [assigned by way of security, subject to a proviso for re-assignment on redemption,]/[charged by way of a first fixed charge] to [Security Agent] (as trustee for the Secured Parties as referred to in the Security Agreement, the "**Security Agent**") all our rights in respect of [insert details of contract] (the "**Contract**").

We confirm that:

- (a) we will remain liable under the Contract to perform all the obligations assumed by us under the Contract; and
- (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.

We will also remain entitled to exercise all our rights, powers and discretions under the Contract, and you should continue to give notices and make payments under the Contract to us, unless and until you receive notice from the Security Agent to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Security Agent or as it directs.

We irrevocably instruct and authorise you to disclose to the Security Agent any information relating to the Contract requested from you by the Security Agent.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Agent at [address] marked for the attention of [] with a copy to us.

Yours faithfully,

.....

(Authorised signatory)

[name of relevant Chargor]

Part 2

Acknowledgement of counterparty

To: [Security Agent] (as Security Agent)

Attn: []

Copy: [name of relevant Chargor]

[Date]

Dear Sirs,

**Security Agreement dated [] between [name of relevant Chargor]
and [Security Agent] (the "Security Agreement")**

We confirm receipt from [name of relevant Chargor] (the "**Chargor**") of a notice dated [] (the "**Notice**") of [an assignment]/[fixed charge] on the terms of the Security Agreement of all the Chargor's rights in respect of [insert details of the contract] (the "**Contract**").

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice;
and
- (b) will give notices and make payments under the Contract as directed in the Notice.

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

Yours faithfully,

.....

(Authorised signatory)

[Contract counterparty]

SCHEDULE 6
FORM OF SECURITY ACCESSION DEED

Security Accession Deed

Dated []

Between

- (1) **[NEW CHARGOR]** (Registered number []) (the "**New Chargor**");
- (2) **[ORIGINAL CHARGOR]** (Registered number []) (the "**Original Chargor**");
- (3) **[SECURITY AGENT]** (Registered number [] of []) (the "**Security Agent**") as security trustee for the Secured Parties (as defined in the Facility Agreement defined below).

Recitals

This deed is supplemental to a security agreement dated [] between the Original Chargor[s] and the Security Agent (as supplemented and amended from time to time, the "**Security Agreement**").

This deed witnesses

1 Definitions and interpretation

1.1 Definitions

Words and expressions defined in the Security Agreement shall have the same meanings in this Deed.

1.2 Construction

The principles of construction set out in clause 1.2 (*Construction*) of the Security Agreement shall apply to this Deed, insofar as they are relevant to it, as they apply to the Security Agreement.

2 Accession of New Chargor

The New Chargor agrees to be a Chargor for the purposes of the Security Agreement with immediate effect and agrees to be bound by all of the terms of the Security Agreement as if it had originally been a party to it as a Chargor.

3 Creation of Security

The New Chargor mortgages, charges and assigns to the Security Agent all its business, undertaking and assets on the terms of clause 2 (*Creation of Security*) of the Security Agreement provided that:

- (a) the Mortgaged Property charged by way of legal mortgage shall be the land referred to in Schedule 2 (*Mortgaged Property*);
- (b) the Accounts charged by way of fixed charge shall include those set out in Schedule 3 (*Accounts*);

- (c) the Relevant Contracts assigned or (if and to the extent that the assignment does not take effect as an assignment) charged by way of fixed charge shall include the Relevant Contracts set out in Schedule 4 (*Relevant Contracts*); and
- (d) the Development Documents charged by way of fixed charge shall include those set out in Schedule 5 (*Development Documents*).

4 Consent of Original Chargor

The Original Chargor agrees to the terms of this Deed and agree that its execution will in no way prejudice or affect the Security granted by it (and covenants given by it) under the Security Agreement.

5 Power of attorney

The New Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their respective Delegates or sub-delegates to be its attorney with the full power and authority of the New Chargor to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case which may be required or which any attorney may in its absolute discretion deem necessary for carrying out any obligation of the New Chargor under or pursuant to this Deed or the Security Agreement or generally for enabling the Security Agent or any Receiver to exercise the respective powers conferred on them under this Deed or the Security Agreement or by law. The New Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 5 (*Power of attorney*).

6 Notices

The New Chargor confirms that its address details for notices in relation to clause 22 (*Notices*) of the Security Agreement are as follows:

Address: []
 Attention: []
 Fax: []

7 Finance Document

This Deed is a Finance Document.

8 Governing law

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

9 Enforcement

9.1 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to decide any dispute arising out of or in connection with this Deed (including a dispute relating to the

existence, validity or termination of this Deed or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Deed) (a "**Dispute**").

- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to decide Disputes and accordingly no Party will argue to

Executed as a deed and delivered on the date appearing at the beginning of this Deed.

SCHEDULE 1

[THE ORIGINAL CHARGORS]

SCHEDULE 2

MORTGAGED PROPERTY

SCHEDULE 3

ACCOUNTS

SCHEDULE 4

RELEVANT CONTRACTS

SCHEDULE 5

[CHARGOR COLLATERAL WARRANTIES AND] DEVELOPMENT DOCUMENTS]

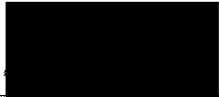
[Insert correct execution block for each party to Security Accession Deed]

Signatories

The Original Chargors

**Executed as a deed by Legal &
General Homes Modular Limited**
acting by a director in the presence of:

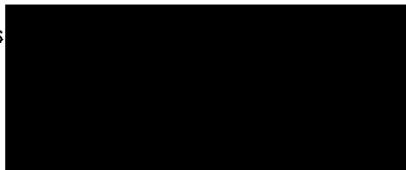
signature
of witness



name

LANCE GILLET
print name of witness

address



signature



Director

ROSEMARY TROOD
print name

The Security Agent

**Signed by National Westminster Bank
Plc**
