



Registration of a Charge

Company Name: **HEYLO HOUSING GROUP LIMITED**

Company Number: **11104403**



Received for filing in Electronic Format on the: **11/05/2021**

XA4AOWQJ

Details of Charge

Date of creation: **30/04/2021**

Charge code: **1110 4403 0005**

Persons entitled: **U.S. BANK TRUSTEES LIMITED (AND ITS SUCCESSORS IN TITLE AND PERMITTED TRANSFEREES)**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **LINKLATERS LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11104403

Charge code: 1110 4403 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th April 2021 and created by HEYLO HOUSING GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 11th May 2021 .

Given at Companies House, Cardiff on 12th May 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**

EXECUTION VERSION

Dated 30 April 2021

HEYLO HOUSING GROUP LIMITED
as Shareholder

SHARE CHARGE

in relation to the share capital of

HH NO.1 NEW HOLDINGS LIMITED

and

HH NO. 1 LIMITED

Linklaters

Ref: EXM/RAR/LJ

Linklaters LLP

CERTIFIED THAT, SAVE FOR MATERIAL REDACTED PURSUANT TO SECTION 859G OF THE COMPANIES ACT 2006, THIS COPY INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.

Linklaters LLP
LINKLATERS LLP
11 MAY 2021

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This Deed is made on 30 April 2021 **between:**

- (1) **HEYLO HOUSING GROUP LIMITED**, a private limited company incorporated under the laws of England and Wales (registered number: 11104403) whose registered office is at 5th Floor, One New Change, London EC4M 9AF (the **"Shareholder"**); and
- (2) **U.S. BANK TRUSTEES LIMITED**, a private limited company incorporated under the laws of England and Wales (registered number: 02379632) whose registered office is at Fifth Floor, 125 Old Broad Street, London EC2N 1AR as security agent for the Secured Parties (the **"Security Agent"**).

Whereas:

- (A) The Company (as defined below) has agreed, pursuant to a note purchase agreement dated 30 April 2021 (the **"Note Purchase Agreement"**) between the Company, the Security Agent and the initial Purchasers named in that agreement, to issue Notes in each case on a senior secured basis.
- (B) The board of directors of the Shareholder is satisfied that entering into this Deed would be most likely to promote the success of the Shareholder for the benefit of its members as a whole and to the further benefit and advantage of the Shareholder.
- (C) Under this Deed, the Shareholder provides security to the Security Agent for the benefit of the Noteholders and the other Secured Parties in order to secure the Secured Liabilities.
- (D) The Security Agent has agreed to act as security agent for the Shareholder's Shares, and accordingly to hold the benefit of this Deed for the Secured Parties, on the following terms and conditions.
- (E) 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 Interpretation

1.1 Definitions: In this Deed the following words and expressions shall have the following meanings:

"Acceleration Notice" means a notice which, if an Event of Default occurs and is continuing, the Security Agent at its discretion may give, and if so directed by the Required Holders and, provided it has been indemnified and/or secured and/or prefunded to its satisfaction, shall, give to the Company and each other Obligor;

"Business Day" means any day other than a Saturday, a Sunday or a day on which commercial banks in London are required or authorised to be closed;

"Company" means HH No.1 New Holdings Limited, registered in England and Wales at Fifth Floor, One New Change, London EC4M 9AF with registered number 12905718;

"CREST" means the relevant system (within the meaning of the Uncertificated Securities Regulations 2001) operated by Euroclear UK and Ireland Limited;

"Delegate" means a delegate, sub-delegate, custodian, agent, attorney, manager, nominee or co-trustee (as applicable) appointed by the Security Agent or a Receiver in accordance with this Deed, the Security Documents or the Note Purchase Agreement or any supplemental agreement or further note purchase agreement;

"Director" means a director within the meaning of section 250 of the Companies Act 2006;

"Event of Default" has the meaning given to that term in the Note Purchase Agreement;

"Enforcement Event" means the giving of an Acceleration Notice by the Security Agent;

"Finance Documents" has the meaning given to that term in the Note Purchase Agreement;

"Financial Collateral" has the meaning given to that term in the Financial Collateral Regulations;

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003/3226);

"HH1" means HH No. 1 Limited, registered in England and Wales at First Floor, 1 Finsbury Avenue, London EC2M 2PF with registered number 09123811;

"Noteholder" has the meaning given to such term under the Note Purchase Agreement;

"Obligor" has the meaning given to such term under the Note Purchase Agreement;

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, government, or any agency or subdivision thereof or any other entity;

"Receiver" means a receiver and manager or other receiver (whether appointed pursuant to the Finance Documents, pursuant to any statute, by a court of otherwise) in respect of all or part of any Secured Assets and shall, if allowed by law, include an administrative receiver or housing administrator, as applicable;

"Related Rights" means any: (a) dividend, interest or other distribution paid or payable in relation to any Share, (b) rights, money or property accruing, offered or issued at any time in relation to any Share by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise; (c) any proceeds of sale, transfer or other disposal or lease or agreement for sale, transfer or other disposal or lease of any Shares; and (d) any awards or judgments in favour of the Shareholder in relation to any Share;

"Secured Assets" means all the assets, property and undertaking of the Shareholder which are, or are expressed to be, subject to any Security created by, or pursuant to, this Deed (and references to the Secured Assets shall include references to any part of them);

"Secured Liabilities" means all present and future moneys, obligations and liabilities due, owing or incurred by the Company or the other Obligors to the Secured Parties or any of them under or in connection with the Notes and any Finance Document (in each case, whether alone or jointly, or jointly and severally, with any other Person, whether actually or contingently and whether as principal, guarantor, surety or otherwise);

"Secured Party" means each Noteholder, the Security Agent, any Receiver or Delegate;

"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 Deed" means the security deed dated 30 April 2021 between the Company and the Security Agent;

"Security Documents" has the meaning given to such term under the Note Purchase Agreement;

"Security Financial Collateral Arrangements" has the meaning given to that expression in the Financial Collateral Regulations;

"Shares" means, in relation to the Shareholder, all of its right, title and interest in and to:

- (a) the shares described in Schedule 2 and all other shares issued in the future by any Person identified in Schedule 2 which the Shareholder may hereafter hold or beneficially own;
- (b) any warrants, options and other rights to subscribe for, purchase or otherwise acquire any such shares; and
- (c) any other securities or investments deriving from any such shares or any rights attaching or relating to any such shares,

in each case including any rights against any custodian, nominee, clearing system or other similar Person that may at any time hold any such right, title or interest on its behalf, and all dividends and other Related Rights; and

"Transaction Security" means each and all Security created or evidenced or expressed to be created or evidenced by or under the Security Documents or any of them.

1.2 Other Defined Terms

Unless a contrary indication appears, terms defined in the Security Deed have the same meaning in this Deed.

1.3 Construction of this Deed

- 1.3.1 The fact that the details of any assets or titles described in this Deed are incorrect or incomplete shall not affect the validity or enforceability of this Deed in respect of the assets of the Shareholder.
- 1.3.2 In this Deed, unless the context otherwise requires, references to the Note Purchase Agreement, any other Finance Document or any other agreement, deed or document shall be construed as a reference to the relevant agreement, deed or document as the same may have been, or may from time to time be, replaced, extended, amended, restated, varied, novated, supplemented or superseded in accordance with its terms and includes any agreement, deed or other document expressed to be supplemental to it, as from time to time so extended, amended, restated, varied or novated.
- 1.3.3 An action, remedy or method of judicial proceedings for the enforcement of creditors' rights shall include references to the action, remedy or method of judicial proceedings in jurisdictions other than England as shall most nearly approximate thereto.
- 1.3.4 A statute or statutory provision shall include that statute or provision as from time to time modified, re-enacted or consolidated.
- 1.3.5 **"assets"** include present and future properties, revenues and rights of every description.
- 1.3.6 Headings are for ease of reference only and shall be ignored in interpreting this Deed.
- 1.3.7 The Schedules form part of this Deed and shall have effect accordingly.

1.3.8 Any **"Noteholder"**, the **"Company"**, the **"Security Agent"** or any **"Party"** shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents.

1.3.9 An Event of Default is **"continuing"** if it has not been remedied or waived.

1.4 Security Agent

1.4.1 Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Deed, the provisions of this Deed shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Deed shall constitute a restriction or exclusion for the purposes of the Trustee Act 2000.

1.4.2 In acting hereunder, the Security Agent does so in accordance with its terms of appointment under the Note Purchase Agreement and is entitled to the protections, rights, powers, authorisations, immunities, benefits and indemnities set out therein. In the event of any conflict or inconsistency between the provisions of this Deed and those of the Note Purchase Agreement with regard to the protections, rights, powers, authorisations, benefits, indemnities, powers and/or obligations of the Security Agent, the provisions of the Note Purchase Agreement shall prevail.

1.5 Third Parties

1.5.1 Except as otherwise expressly provided in any Finance Document, the terms of this Deed may be enforced only by a party to it and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.

1.5.2 Notwithstanding any term of any Finance Document, the consent of any Person who is not a party to this Deed is not required to rescind or vary this Deed at any time.

2 Declaration of Trust

The Security Agent holds all the covenants, undertakings, Security and other rights and benefits made or given or to be made or given under or pursuant to this Deed on trust for itself and the other Secured Parties upon and subject to the terms and conditions of this Deed.

3 Covenant to Pay and Limited Recourse

3.1 Covenant to Pay

The Shareholder hereby covenants and undertakes to the Security Agent to pay all amounts due, owing or incurred to any of the Secured Parties in accordance with the terms and conditions of the Finance Documents whether present or future, actual or contingent and whether incurred by the Company alone or jointly and whether as principal or surety or in some other capacity together with all interests and amounts accruing thereon.

3.2 Limited Recourse

Notwithstanding any other provision of the Finance Documents, it is expressly agreed that:

3.2.1 the sole recourse of the Secured Parties to the Shareholder under this Deed is to the Shareholder's interest in the Secured Assets; and

3.2.2 the liability of the Shareholder to the Secured Parties pursuant to or otherwise in connection with the Finance Documents shall be:

- (i) limited in aggregate to an amount equal to that recovered as a result of enforcement of this Deed with respect to the Secured Assets; and
- (ii) satisfied only from the proceeds of sale or other disposal or realisation of the Secured Assets pursuant to this Deed.

4 Grant of Security

As a continuing security for the payment and discharge of the Secured Liabilities, the Shareholder with full title guarantee by way of first mortgage charges in favour of the Security Agent, for the benefit of the Secured Parties, all of the Shares owned by it (including all Related Rights).

4.1 **Security Documents:** The Note Purchase Agreement and the other Secured Liabilities are secured pursuant to, and in accordance with, this Deed and the other Security Documents delivered by the Company or any other Obligor from time to time.

4.2 **Security held on trust:** If, for any reason, the purported assignment by way of security or charge of any of the Secured Assets is found to be ineffective, the Shareholder will hold the benefit of such Secured Assets and any sums received in respect of such Secured Assets or any Security of whatever nature given to secure the Secured Assets on trust for the Security Agent until such time as the Secured Liabilities are fully paid and discharged and will (a) account to the Security Agent for or otherwise apply all such sums as the Security Agent may direct, (b) exercise any rights it may have in respect of the Secured Assets at the direction of the Security Agent and (c) at its own cost take such action and execute such documents in connection with the foregoing as the Security Agent may in its sole discretion require.

4.3 **Acknowledgments and Undertakings:** The Shareholder hereby acknowledges the security made or granted by the foregoing provisions of this Clause 4 and undertakes to the Security Agent not to do anything inconsistent with such security given under or pursuant to this Deed or knowingly to prejudice such security granted or expressed to be granted to the Security Agent pursuant to this Clause 4 provided that nothing herein shall be construed as limiting the rights exercisable by any Secured Party in accordance with and subject to the terms of the other Finance Documents.

5 Release and Reassignment

Upon the irrevocable payment, discharge and performance of all of the Secured Liabilities, to the satisfaction of the Security Agent, the Security Agent shall as soon as reasonably practicable, at the request and cost of the Shareholder:

- (a) release and re-assign to the Shareholder all rights, title and interest in and to the relevant Secured Assets; and
- (b) execute such notices, directions or other documents to any Person as the Shareholder reasonably requests in order to give effect to such release and re-assignment,

in each case, without liability, recourse to or any representation or warranty by the Security Agent or any other Person.

6 Provisions relating to Security

6.1 All Security expressed to be created by this Deed:

6.1.1 is created in favour of the Security Agent for itself and on behalf of the Noteholders and the other Secured Parties; and

6.1.2 is a continuing security for the payment, discharge and performance of all of the Secured Liabilities and will extend to the ultimate balance of all sums payable by the Company or the other Obligors to the Secured Parties under the Finance Documents regardless of any intermediate payment or discharge in whole or in part.

6.2 If the Security Agent considers in its sole discretion that an amount paid to a Secured Party under any Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then the Transaction Security and the liability of the Shareholder under this Deed and the other Security Documents shall continue, and that amount will not be considered to have been irrevocably paid for the purposes of this Deed and the other Security Documents.

6.3 Neither the obligations of the Shareholder under this Deed nor the Secured Assets will be affected by an act, omission, matter or thing which, but for this Clause 6.3, would reduce, release or prejudice any of its obligations under any Finance Document or the Secured Assets (without limitation and whether or not known to it or any Secured Party) including:

6.3.1 any time, waiver or consent granted to, or composition with, the Shareholder, the Company, HH1 or any other Person;

6.3.2 the release of the Shareholder, Company, HH1 or any other Person under the terms of any composition or arrangement with any creditor of any member of the Heylo Group;

6.3.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Shareholder, Company, HH1 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;

6.3.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Shareholder, Company, HH1 or any other Person;

6.3.5 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or Security including 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;

6.3.6 any unenforceability, illegality or invalidity of any obligation of any Person under any Finance Document or any other document or security; or

6.3.7 any insolvency or similar proceedings.

6.4 The Shareholder 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 or claim payment from any Person before claiming from the Shareholder under this Deed. This

waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

- 6.5** Until all amounts which may be or become payable by the Company or the other Obligors under or in connection with the Finance Documents have been irrevocably paid in full and all facilities which might give rise to Secured Liabilities have terminated, each Secured Party (or any trustee or agent on its behalf) may:

6.5.1 refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Shareholder shall not be entitled to the benefit of the same; and

6.5.2 hold in an interest-bearing suspense account any moneys received from the Shareholder or on account of the Shareholder's liability under this Deed.

7 Restrictions on other Security

- 7.1** So long as any Secured Liabilities remain outstanding, the Shareholder will not create, permit to subsist or have outstanding any Security, other than the Transaction Security, on the Secured Assets or their Related Rights ranking in priority to, or *pari passu* with, the Transaction Security, excluding, for this purpose any Security created by operation of law.

- 7.2** The Shareholder also covenants that it shall not, save as expressly permitted by the Finance Documents, sell, transfer, grant or lease or otherwise dispose of all or any part of the Secured Assets.

8 Notification

The Shareholder shall promptly notify the Agent and the Security Agent of:

- 8.1** the declaration, payment, receipt, offer or issue of any Related Right in respect of any Share excluding (prior to an Enforcement Event only) any cash dividend; and
- 8.2** any intention of which it becomes aware for any Share to be held in uncertificated form and to be transferable through CREST.

9 Representations, Warranties and Covenants

- 9.1 Representations and warranties:** The Shareholder represents and warrants to and (where applicable) agrees with the Security Agent (on behalf of the Secured Parties) that as at the date of this Deed:

9.1.1 The Shares are fully paid and are not subject to any option to purchase or similar rights;

9.1.2 The Shares represent the whole of the issued share capital of the Company and (subject as described in the column headed "*Percentage of all issued Shares of the Issuer thereof as at the date of this Deed*" in Schedule 2 hereto) HH1;

9.1.3 No Person has any option, warrant or other similar right to subscribe for any shares of the companies whose shares are Secured Assets;

9.1.4 The Shareholder is the sole legal and beneficial owner of the Shares;

- 9.1.5 The constitutional documents of the companies whose shares are Secured Assets do not:
- (i) restrict or inhibit any transfer of the Shares on creation or enforcement of the security constituted by this Deed;
 - (ii) contain any provisions for the Directors to refuse the register of any transfers of the Shares to the Security Agent; or
 - (iii) contain any rights of pre-emption;
- 9.1.6 The companies whose shares are Secured Assets have complied with all notices relating to all or any of the Shares received by it pursuant to sections 790D and 790E of the Companies Act 2006;
- 9.1.7 No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of all or any of the Shares;
- 9.1.8 There are no agreements in place which provide for the issue or allotment of, or grant to any Person, the right to call for the issue or allotment of, any share or loan capital of the companies whose shares are Secured Assets (including any option or right of pre-emption or conversion);
- 9.1.9 No calls have been made in respect of the Shares and remain unpaid and no calls can be made in respect of such Shares in the future;
- 9.1.10 The Secured Assets are free from any Security other than the Security created by this Deed;
- 9.1.11 The Shareholder has not received, or acknowledged notice of, any adverse claim by any Person in respect of the Secured Assets or any interest in them;
- 9.1.12 There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever, that materially and adversely affects the Secured Assets;
- 9.1.13 There is no breach of any law or regulation which materially and adversely affects the Secured Assets;
- 9.1.14 No Security expressed to be created under this Deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Shareholder or otherwise; and
- 9.1.15 This Deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Shareholder, and is and will continue to be effective security overall and every part of the Secured Assets in accordance with its terms.

9.2 Covenants: So long as any Secured Liabilities are outstanding, the Shareholder covenants and undertakes with the Security Agent (on behalf of the Secured Parties) that it shall:

- 9.2.1 **Negative Pledge and Disposal Restrictions:** not at any time, except with the prior written consent of the Security Agent:
- (i) create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this Deed;

- (ii) sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Secured Assets; or
- (iii) create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

9.2.2 Preservation of Secured Assets: not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Security Agent, or diminish the value of any of the Secured Assets or the effectiveness of the security created by this Deed.

9.2.3 Compliance with Laws and Regulations: comply with the requirements of any law or regulation relating to or affecting the Secured Assets or the use of them or any part of them.

9.2.4 Enforcement of rights: use its reasonable endeavours to enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets which the Security Agent may require from time to time.

9.2.5 Notice of misrepresentations and breaches: promptly on becoming aware of any of the same, notify the Security Agent of:

- (i) any representation or warranty set out in this Deed that is incorrect or misleading in any material respect when made; and
- (ii) any breach of any covenant set out in this Deed.

9.2.6 Title to Secured Assets: on the execution of this Deed, deliver to the Security Agent:

- (i) all share certificates and other documents of title or evidence of ownership of the Secured Assets;
- (ii) all stock transfer forms relating to the Secured Assets duly completed and executed by or on behalf of the Shareholder but with the name of the transferee, the consideration and the date left blank; and
- (iii) a duly passed shareholders resolution to amend the articles of association of the companies whose shares are Secured Assets to ensure that so long as any Secured Liabilities are outstanding, the Directors of such companies shall not have the power to refuse to register a transfer of the Shares to the Security Agent or its nominee in accordance with this Deed;

so that the Security Agent may, at any time and without notice to the Shareholder, complete and present those stock transfer forms and other documents in order for the Secured Assets to be registered.

9.2.7 Nominations: immediately terminate all nominations it may have made in respect of any Secured Asset and, pending such termination, procure that any Person so nominated:

- (i) does not exercise any rights in respect of any Secured Asset without the prior written approval of the Security Agent; and
- (ii) immediately upon receipt by it, forward to the Security Agent all communications or other information received by it in respect of any Secured Asset for which it has been so nominated.

The Shareholder shall not at any time whilst the Secured Liabilities are outstanding exercise the right to nominate any Person other than the Security Agent to enjoy or exercise any right relating to any of the Secured Assets.

- 9.2.8 Consents:** obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of the companies whose shares are Secured Assets, for the transfer of the Secured Assets to the Security Agent or its nominee, or to a purchaser on enforcement of the security constituted by this Deed.
- 9.2.9 Calls and other obligations:** pay all calls, instalments and other payments that may be or become due and payable in respect of all or any part of the Secured Assets. If the Shareholder fails to do so, the Security Agent may at its discretion, but shall in no circumstances be obliged to, pay the calls, instalments or other payments on behalf of the Shareholder. The Shareholder shall, immediately on request by the Security Agent, reimburse the Security Agent for any payment made by it under this Clause 9.2.9. The Shareholder shall comply with, and shall remain liable to perform, all of the other conditions and obligations assumed by it in respect of all or any part of the Secured Assets.
- 9.2.10 Changes to rights:** not take, or allow the taking of, any action on its behalf which may result in the rights attaching to, or conferred by, all or any of the Secured Assets being altered. The Shareholder shall not cause or permit any of the Secured Assets to be consolidated, sub-divided or converted, or any further shares in the share capital of the companies whose shares are Secured Assets to be issued.
- 9.2.11 Information:** so far as permitted by applicable law, give the Security Agent such information as it reasonably requires to perform its functions.
- 9.2.12 Further Acts:** so far as permitted by applicable law, do such further things as may be necessary in the opinion of the Security Agent to give effect to this Deed.
- 9.2.13 Registration of Security:** promptly but in any event no later than 21 days of the date following the date hereof, deliver to the registrar of companies a duly completed Form MR01 together with a certified copy of this Deed (together with any applicable fee), procure registration in accordance with section 859A of the Companies Act 2006 and forthwith notify the Security Agent in writing of any response received from the registrar of companies.
- 9.2.14 Further Assurance:** promptly following a demand made by the Security Agent, execute, deliver, file and record any specific assignment or other document and take any other action that may be necessary or desirable and reasonably requested by the Security Agent to create, preserve, perfect or validate any security interest granted under Clause 4 to enable the Security Agent to exercise or enforce its rights under this Deed with respect to the Secured Assets or to effect or document a release of the Secured Assets including, without limitation, making any registration and giving any notice, order or direction.

10 Voting Rights and Dividends

10.1 Voting Rights and Dividends – before enforcement

- 10.1.1** Before the security constituted by this Deed becomes enforceable, the Shareholder may exercise all voting and other rights and powers in respect of the Secured Assets

or, if any of the same are exercisable by the Security Agent or any of its nominees, direct in writing the exercise of those voting and other rights and powers provided that:

- (i) it shall not do so in any way that would breach any provision of the Note Purchase Agreement or this Deed or for any purpose inconsistent with the Note Purchase Agreement or this Deed; and
- (ii) the exercise of, or failure to exercise, those voting rights or other rights and powers would not, in the Security Agent's opinion, have an adverse effect on the value of any of the Secured Assets or otherwise prejudice the Security Agent's security under this Deed.

10.1.2 Before the security constituted by this Deed becomes enforceable, the Shareholder may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Secured Assets and, if any are paid or payable to the Security Agent or any of its nominees, the Security Agent will hold all those dividends, interests and other monies received by it for the Shareholder and will pay them to the Shareholder promptly upon request.

10.2 Voting Rights and Dividends – following an Event of Default

10.2.1 After the security constituted by this Deed has become enforceable, the Security Agent may (in the name of the Shareholder and without any further consent or authority from the Shareholder and irrespective of any direction given by the Shareholder):

- (i) exercise or refrain from exercising (or direct its nominee to exercise or refrain from exercising) all voting rights and any other powers or rights in respect of the Secured Assets, and the Shareholder shall comply, or procure compliance, with any directions the Security Agent may give, in its absolute discretion, in respect of the exercise of those voting and other rights and powers and promptly execute and/or deliver to the Security Agent or Receiver such forms of proxy as it or they may require with a view to enabling such Person(s) as it or they select to exercise those rights;
- (ii) apply all dividends, interest and other monies paid or payable in respect of the Secured Assets in accordance with Clause 16 of the Security Deed, and, if any such dividends, interest or other monies are received by or on behalf of the Shareholder, the Shareholder shall hold all such dividends, interests and monies on trust for the Security Agent and shall immediately pay to the Security Agent or as it may direct;
- (iii) complete all instruments of transfer held by it in relation to the Secured Assets in favour of itself or such other Person as it may select and have the Secured Assets transferred into its name or the name of its nominee or, as applicable, into an account in its own name or the name of its nominee; and
- (iv) in addition to any other power created under this Deed, exercise or refrain from exercising (or direct its nominee or Delegate to exercise or refrain from exercising) all the powers and rights conferred on or exercisable by the legal or beneficial owner of the Secured Assets.

10.3 Power to Remedy

- (i) The Security Agent shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Shareholder of any of its obligations under this Deed.
- (ii) The Shareholder irrevocably authorises the Security Agent and its agents to do all things that are necessary or desirable for that purpose.
- (iii) Any monies expended by the Security Agent in remedying a breach by the Shareholder of its obligations contained in this Deed shall be reimbursed by the Shareholder to the Security Agent.

11 Enforcement of Security

11.1 Timing and manner of enforcement

- 11.1.1 The security constituted by this Deed shall become immediately enforceable upon an Enforcement Event; *provided that*, the Security Agent may at all times take such action in respect of any right, power or discretion which is personal to the Security Agent or is to preserve or protect the Security Agent's position or, in the opinion of the Security Agent, is of a purely administrative nature.
- 11.1.2 Without prejudice to any specific provision contained in this Deed, immediately after the security constituted by this Deed has become enforceable, as provided in Clause 11.1.1, the Security Agent may, in its absolute discretion (subject to the other provisions of this Deed), enforce all or any part of that security (or else appoint a Receiver to do so) in any manner it sees fit or as may be requested in writing by the Required Holders.
- 11.1.3 The Shareholder agrees that damages as a remedy in the event of breach by it of any term of this Deed shall be an insufficient remedy for the Secured Parties, and that the Security Agent shall be permitted and is hereby authorised on behalf of the Secured Parties to seek specific performance and injunctive relief to the full extent available under English law.

11.2 General

- 11.2.1 The Secured Liabilities shall be deemed to have become due and payable on the date of this Deed for the purposes of section 101 of the Law of Property Act 1925. The power of sale, of appointing a receiver and other powers conferred by section 101 of the Law of Property Act 1925 (as varied and extended by this Deed) and all other powers conferred on a mortgagee by law shall be deemed to arise on the date of this Deed but shall only become enforceable in accordance with Clause 11.1 above.
- 11.2.2 Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Deed.

11.3 Receiver

- 11.3.1 If:
 - (i) requested by the Shareholder, the Company or HH1; or
 - (ii) the Security Interests have become enforceable,

without any notice or further notice, the Security Agent may, by deed or otherwise in writing signed by the Security Agent or any Person authorised for this purpose by the Security Agent, appoint one or more Persons to be a Receiver of all or any part of the Secured Assets. The Security Agent may similarly remove any Receiver and appoint any Person instead of any Receiver. If the Security Agent appoints more than one Person as Receiver, the Security Agent may give those Persons power to act either jointly or severally.

11.3.2 Any Receiver shall be the agent of the Shareholder for all purposes. The Shareholder alone shall be responsible for the Receiver's contracts, engagements, acts, omissions and defaults.

11.3.3 The Security Agent may determine the remuneration of any Receiver and the maximum rate specified in section 109(6) (Appointment, powers, remuneration and duties of receiver) of the Law of Property Act 1925 shall not apply. The Security Agent may direct payment of that remuneration out of moneys it receives as Receiver. The Shareholder alone shall be liable for the remuneration and all other costs, losses, liabilities and expenses of the Receiver.

11.3.4 Any Receiver appointed pursuant to this Clause 11.3 shall have:

- (i) the rights set out in the Schedule 1 hereto;
- (ii) the rights, powers, privileges and immunities conferred by law, including the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 and the Insolvency Act 1986 on receivers or receivers and managers.

11.4 Title of the Shareholder to Secured Assets: The Security Agent shall accept without investigation, requisition or objection such right and title as the Shareholder has to any of the Secured Assets and need not examine or enquire into or be liable for any defect or failure in the right or title of the Shareholder to the Secured Assets or any part of them.

11.5 Deferral of Shareholder's rights

Until all amounts which may be or become payable by the Company or the other Obligors under or in connection with the Finance Documents have been irrevocably paid in full and all facilities which might give rise to Secured Liabilities have terminated and unless the Security Agent otherwise directs, the Shareholder will not exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under the Finance Documents:

- (i) to be indemnified by the Company and/or HH1;
- (ii) to claim any contribution from any other provider of Security for or guarantor of the Company's and/or HH1'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 the Secured Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
- (iv) to bring legal or other proceedings for an order requiring the Company and/or HH1 to make any payment, or perform any obligation, in respect of which the Company or HH1 had given a guarantee, undertaking or indemnity;

- (v) to exercise any right of set-off against the Company and/or HH1; and/or
- (vi) to claim or prove as a creditor of the Company and/or HH1 in competition with any Secured Party.

If the Shareholder receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Company, HH1 or the Shareholder under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Clause 16 of the Security Deed.

11.6 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right or remedy under any Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No waiver or election to affirm any of the Finance Documents on the part of any Secured Party shall be effective unless in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in the Finance Documents are cumulative and not exclusive of any rights or remedies provided by law.

12 Right of appropriation

12.1 To the extent that the Secured Assets constitute Financial Collateral and this Deed and the obligations of the Shareholder under it constitute a Security Financial Collateral Arrangement, the Security Agent shall, at any time after the security constituted by this Deed has become enforceable, have the right to appropriate all or any of those Secured Assets in or towards discharge of the Secured Liabilities.

12.2 For this purpose, the Parties agree that the value of such financial collateral so appropriated shall be the market price of the Secured Assets determined by the Security Agent by such process as the Security Agent may select including independent valuation. The Parties further agree that the method of valuation provided for in this Deed shall constitute a commercially reasonable method of valuation for the purposes of the Financial Collateral Regulations.

13 Preservation of Security

13.1 Perfection: The Shareholder shall (at its own cost) promptly do whatever the Security Agent requires or may be necessary to perfect or protect the security created or intended to be created by this Deed, or the priority of such security or to facilitate the realisation of any Secured Assets or the exercise of any rights vested in the Security Agent or any Receiver, including executing any transfer, conveyance, charge, assignment or assurance of any Secured Assets (whether to the Security Agent or its nominees, Delegate or otherwise), making any registration and giving any notice, order or direction. A certificate from the Security Agent to the effect that a particular action is required by it shall be conclusive evidence of that.

13.2 Change of Name: This Deed shall remain valid and enforceable notwithstanding any change in the name, composition or constitution of the Security Agent or the Shareholder or

any amalgamation or consolidation by the Security Agent or the Shareholder with any other corporation (whether permitted by the Finance Documents or not).

14 Power of Attorney

14.1 Appointment

14.1.1 The Shareholder by way of security irrevocably appoints the Security Agent and each Receiver severally as its attorney with full power of substitution, on its behalf and in its name or otherwise, at such time and in such manner as the attorney thinks fit:

- (i) prior to the occurrence of an Event of Default, to do anything which the Shareholder is obliged to do under this Deed or any Finance Document (but has not done);
- (ii) on and after the occurrence of an Event of Default, to take all such actions and do all such things which the attorney considers in good faith to be necessary and/or desirable for the protection or preservation of the Security Agent's interests in the Secured Assets or do anything which the Shareholder is obliged to do under this Deed or any Finance Document, including, without limitation, taking all actions and doing all things which the attorney considers in good faith to be necessary and/or desirable for fully and effectually vesting, transferring or assigning the Transaction Security and/or the Secured Assets or any part thereof to the attorney or any other Person or Persons entitled to the benefit thereof in the same manner and as fully and effectually in all respects as the Shareholder could have; and
- (iii) to exercise any of the rights conferred on the Security Agent or any Receiver in relation to the Secured Assets or under any Finance Document, the Law of Property Act 1925 or the Insolvency Act 1986,

including, without limitation, to do all such acts or execute all such documents, assignments, transfers, mortgages, charges, notices, instructions, filings and registrations as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require).

14.1.2 The power of attorney conferred on the Security Agent and each Receiver shall continue, notwithstanding the exercise by the Security Agent of any right of appropriation.

14.1.3 In favour of the attorney or a Person dealing with the attorney and the successors and assigns of such a Person, all actions taken, things done and documents executed, signed or delivered by the attorney in the purported exercise of any power conferred by the power of attorney shall for all purposes be valid and binding on the Shareholder and its successors and assigns.

14.2 Ratification: The Shareholder ratifies and confirms, and agrees to ratify and confirm, whatever any attorney shall do in the exercise or purported exercise of the power of attorney granted by it and in accordance with the terms of Clause 14.1.

15 Delegation

The Security Agent may delegate in any manner to any Delegate any rights exercisable by the Security Agent under this Deed. Any such delegation may be made upon such terms and

conditions (including power to sub-delegate) as the Security Agent thinks fit and the Security Agent may pass confidential information to any such Delegate. The Security Agent shall not be bound to supervise, or be in any way responsible for any damage, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such Delegate or sub-delegate.

16 Costs and Expenses

16.1 Expenses

The Shareholder shall, within three Business Days of demand, pay to the Security Agent the amount of all costs, losses, liabilities and expenses (including legal fees) incurred by the Security Agent or any Receiver or any Delegate in relation to this Deed (including the administration, protection, realisation, enforcement or preservation of any rights under or in connection with this Deed, or any consideration by the Security Agent as to whether to realise or enforce the same).

16.2 VAT

Clause 15.7 of the Note Purchase Agreement shall apply as if it were set out in full in this Deed, save that references in that clause to "holder" shall be treated in this Deed as a reference to the Security Agent.

16.3 Indemnity

The Shareholder shall, within three Business Days of demand, indemnify the Security Agent and any Receiver and any Delegate against any cost, loss, liability or expense incurred by it or them as a result of:

16.3.1 any breach by the Shareholder of this Deed; or

16.3.2 the exercise or purported exercise of any of the rights, powers, discretions, authorities and remedies conferred on it or them by this Deed or otherwise relating to the Secured Assets.

17 Changes to Parties

The Security Agent may, at any time, assign or otherwise transfer all or any part of its rights under this Deed to any successor appointed in accordance with the Finance Documents.

18 Partial Invalidity

If any provision of this Deed is or becomes invalid, illegal or unenforceable in any jurisdiction, that shall not affect the legality, validity or enforceability of the remaining provisions in that jurisdiction or of that provision in any other jurisdiction.

19 Notices

Any communication shall be by letter or electronic communication:

in the case of the Shareholder, to it at:

Heylo Housing Group Limited
5th Floor, One New Change
London EC4M 9AF

Email: [REDACTED]
Attention: Finance Team

and in the case of the Security Agent, to it at:

U.S. Bank Trustees Limited
Fifth Floor
125 Old Broad Street
London EC2N 1AR

Email: [REDACTED]
Attention: Relationship Management Group

Communications will take effect, in the case of a letter, when delivered, in the case of an electronic communication when the relevant receipt of such communication being read is given, or where no read receipt is requested by the sender, at the time of sending, provided that no delivery failure notification is received by the sender within 24 hours of sending such communication; provided that any communication which is received (or deemed to take effect in accordance with the foregoing) after 5 p.m. (local time) on any Business Day or on a non-Business Day in the place of receipt shall be deemed to take effect at the opening of business on the next following Business Day in such place. Any communication delivered to any party under this Deed which is to be sent by electronic communication will be written legal evidence.

20 Counterparts

This Deed and any deed supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any party to this Deed or any deed supplemental hereto may enter into the same by executing and delivering a counterpart.

21 Governing Law and Jurisdiction

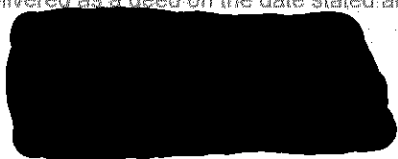
21.1 Governing Law: This Deed and any non-contractual obligation arising out of or in connection with them shall be governed by, and construed in accordance with, English law.

21.2 Submission to Jurisdiction: The courts of England and Wales are to have jurisdiction to settle any disputes that may arise out of or in connection with this Deed and accordingly any legal action or proceedings arising out of or in connection with this Deed ("**Proceedings**") may be brought in such courts. The Shareholder irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Clause 21.2 is for the benefit of the Security Agent and shall not limit its right to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

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

HEYLO HOUSING GROUP LIMITED
(as Shareholder)

By:


GILES MACKAY

Name:

Director, acting on the authority of that company

In the presence of:

SONATHAN CONWAY

Witness's signature:



Name:

Position/Occupation:

Address:

heylo
6th Floor,
Design Centre East
Chelsea Harbour
London, SW10 0XF

U.S. BANK TRUSTEES LIMITED
(as Security Agent)

By:

By:

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

HEYLO HOUSING GROUP LIMITED

(as Shareholder)

By:

Name:

Director, acting on the authority of that company

In the presence of:

Witness's signature:

Name:

Position/Occupation:

Address:

U.S. BANK TRUSTEES LIMITED

(as Security Agent)

By:



Michael Leong
Authorised Signatory

By:



Chris Hobbs
Authorised Signatory

Schedule 1

Rights of Receivers

Any Receiver appointed pursuant to Clause 11 shall have the right, either in its own name or in the name of the Shareholder or otherwise and in such manner and upon such terms and conditions as the Receiver thinks fit, and either alone or jointly with any other Person:

(a) **Enter into possession**

to take possession of, get in and collect all or any part of the Secured Assets, and to require payment to it or to any Secured Party of any dividends;

(b) **Deal with Secured Assets**

to sell, transfer, assign, exchange, hire out, lend, licence or otherwise dispose of or realise all or any part of the Secured Assets to any Person either by public offer or auction, tender or private contract and for a consideration of any kind (which may be payable or delivered in one amount or by instalments or deferred);

(c) **Hive down**

to form a new company and to subscribe for or acquire (for cash or otherwise) any investment in or of the new company and to sell, transfer, assign, exchange and otherwise dispose of or realise any such investments or any rights attaching thereto;

(d) **Borrow money**

to borrow or raise money either unsecured or on the security of all or any part of the Secured Assets (either in priority to the Security Interests or otherwise);

(e) **Rights of ownership**

to manage and use all or any part of the Secured Assets and to exercise and do all such rights and things as the Receiver would be capable of exercising or doing if it were the absolute beneficial owner of all or any part of the Secured Assets;

(f) **Legal actions**

to bring, prosecute, enforce, defend and abandon actions, suits and proceedings relating to all or any part of the Secured Assets;

(g) **Claims**

to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any Person or relating to all or any part of the Secured Assets;

(h) **Redemption of Security**

to redeem any Security (whether or not having priority to the Security Interests) over all or any part of the Secured Assets and to settle the accounts of any Person with an interest in all or any part of the Secured Assets;

(i) **Delegation**

to delegate in any manner to any Person any rights exercisable by the Receiver under any Finance Document, and any such delegation may be made upon such terms and conditions

(including power to sub-delegate) as it thinks fit, and to pass confidential information to any such delegate;

(j) **Insolvency Act**

to exercise all powers set out in Schedule 1, Schedule B1 or (in the case of a Scottish Receiver) Schedule 2 to the Insolvency Act 1986 as now in force (whether or not in force at the date of exercise and whether or not the Receiver is an administrative receiver) and any powers added to Schedule 1 or Schedule 2, as the case may be, after the date of this Deed;

(k) **Receipts**

to give a valid receipt for any moneys and do anything which may be necessary or desirable for realising all or any part of Secured Assets; and

(l) **Other powers**

to do anything else it may think fit for the realisation of all or any part of the Secured Assets or incidental to the exercise of any of the rights conferred on the Receiver under or by virtue of any Finance Document to which the Shareholder is party, the Law of Property Act 1925 or the Insolvency Act 1986.

Schedule 2 Shares

Name of Issuer	No. of Shares as at the date of this Deed	Class of Shares	Nominal Value of Share	Registered holder(s) as at the date of this Deed	Percentage of all issued Shares of the Issuer thereof as at the date of this Deed
HH No.1 New Holdings Limited	1	Ordinary	£1.00	Heylo Housing Group Limited	100%
HH No. 1 Limited	1	A Ordinary	£0.01	Heylo Housing Group Limited	0%