



Registration of a Charge

Company name: **BALLYMORE DEANSTON ACQUISITION COMPANY LIMITED**
Company number: **11678842**



XA1TRR8I

Received for Electronic Filing: **06/04/2021**

Details of Charge

Date of creation: **31/03/2021**
Charge code: **1167 8842 0001**
Persons entitled: **CAIN INTERNATIONAL AGENT LIMITED AS SECURITY TRUSTEE**
Brief description: **NONE.**

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: **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:

ASHURST LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11678842

Charge code: 1167 8842 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st March 2021 and created by BALLYMORE DEANSTON ACQUISITION COMPANY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th April 2021 .

Given at Companies House, Cardiff on 7th April 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

Security Agreement

The companies listed in schedule 1

and

Cain International Agent Limited

as Security Agent

THIS DEED IS SUBJECT TO THE TERMS OF AN INTERCREDITOR AGREEMENT (AS DEFINED HEREIN)

relating to the residential development at
Deansford Wharf, London

31 March 2021

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THIS DEED is dated 31 March 2021

BETWEEN:

- (1) **THE COMPANIES** listed in schedule 1 (Chargors); and
- (2) **CAIN INTERNATIONAL AGENT LIMITED** as security trustee for itself and the other Secured Parties (the "**Security Agent**"), which expression shall include any person from time to time appointed as a successor, replacement or additional trustee in relation to the interests created by this Deed).

THE PARTIES AGREE as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"Account" means the bank accounts listed in part 3 of schedule 2 (Accounts), together with any replacement of those or sub account or sub division of that accounts or any other bank accounts in the name of an Obligor or in which an Obligor is otherwise interested;

"Act" means the Law of Property Act 1925;

"Chargors" means each of the companies listed in schedule 1 (Chargors) and each company which grants security over its assets in favour of the Security Agent by executing a Security Accession Deed;

"Debt Documents" has the meaning given to such term in the Intercreditor Agreement;

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Security Agent under or in connection with this Deed;

"Event of Default" means an Event of Default under the Senior Facility Agreement;

"Insurances" means the benefits arising from and any rights of a Chargor under any contract or policy of insurance taken out by that Chargor or on its behalf or in which it has an interest, including those policies (if any) listed in part 2 of Schedule 2 (Security Assets) or in any Security Accession Deed but excluding any third party liability or public liability insurance and any directors' and officers' insurance;

"Intellectual Property" means any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered, the benefit of all applications and rights to use such assets including the intellectual property rights (if any) listed in any Security Accession Deed;

"Intercreditor Agreement" has the meaning given to that term in the Senior Facility Agreement;

"Investments" means:

- (a) all shares in any member of the Group (other than itself) owned by a 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 a Chargor or held by any nominee or trustee on its behalf;

"Mortgaged Property" means all freehold or leasehold property included in the definition of Security Asset;

"Ordinary Account" means the Development Account and the Operating Account;

"Party" means a party to this Deed;

"Property" means all freehold and leasehold property and the buildings and fixtures (including trade fixtures) on that property from time to time including the property (if any) listed in part 1 of schedule 2 (Security Assets) and in any Security Accession Deed;

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

"Relevant Contract" means:

- (a) each Transaction Document;
- (b) any agreement listed as a Relevant Contract in any Security Accession Deed; and
- (c) any other agreement designated as a Relevant Contract by the relevant Chargor and the Security Agent;

"Secured Liabilities" has the meaning given to such term in the Senior Facility Agreement;

"Secured Parties" has the meaning given to such term in the Senior Facility Agreement;

"Security Accession Deed" means a deed executed by a member of the Group substantially in the form set out in schedule 7 (Form of Security Accession Deed);

"Security Asset" means any asset of a 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 all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full;

"Senior Facility Agreement" means the £170,000,000 facility agreement dated on or about the date of this Deed between (among others) Ballymore Deanston Limited as borrower and the Security Agent; and

"Senior Lenders" means the "Lenders" as defined in the Senior Facility Agreement.

1.2 Construction

- (a) Capitalised terms defined in the Senior Facility Agreement shall have the same meanings when used in this Deed unless otherwise defined in this Deed.
- (b) The provisions of clause 1.2 (Construction) of the Senior Facility Agreement apply to this Deed, except that references to the Senior Facility Agreement therein 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) any **rights** in respect of an asset includes:
 - (A) all amounts and proceeds paid or payable (including all proceeds of sale);
 - (B) the benefit of all other rights, powers, claims, consents, contracts, warranties, security, guarantees, indemnities or covenants for title; and
 - (C) all rights under any licence, agreement for sale or agreement for lease in respect of it;

in each case in respect of or derived from that asset;
- (iii) 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;
- (iv) any **"Chargor"**, any **"Secured Party"** or any other person shall be construed so as to include its successors in title, permitted assignees and transferees and, in the case of the Security Agent, any person or persons for the time being appointed as Security Agent in accordance with the Debt Documents;
- (v) this **"Deed"** includes any Security Accession Deed;
- (vi) **"including"** means including without limitation and **"includes"** and **"included"** shall be construed accordingly;
- (vii) **"losses"** includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities and **"loss"** shall be construed accordingly;
- (viii) the term **this Security** means any Security created by this Deed; and
- (ix) any clause or schedule is a reference to, respectively, a clause of and schedule to this Deed and any reference to this Deed includes its schedules.
- (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 Debt Documents and of any other agreement or instrument between any Parties in relation to any Debt 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 reasonably 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) Subject to paragraph (i) below, to the extent that the terms of this Deed conflict with the terms of the Senior Facility Agreement, the terms of the Senior Facility Agreement shall prevail.
- (i) To the extent that the terms of this Deed conflict with the terms of the Intercreditor Agreement, the terms of the Intercreditor Agreement shall prevail.
- (j) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

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 or vary this Deed at any time.
- (c) Any Receiver or Delegate 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.

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 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) 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, rights and interests in any freehold or leasehold property now owned by it; this includes the real property (if any) specified in part 1 of Schedule 2 (Security Assets); 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, rights and interests in any freehold or leasehold property now or subsequently owned by it.

- (b) A reference in this clause 2 to a mortgage or charge of any freehold or leasehold property includes:
 - (i) all buildings, fixtures (including trade fixtures), fittings and fixed plant and machinery on that property; and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of any Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

2.3 **Investments**

Each Chargor charges by way of a first fixed charge its rights and interest in all its Investments.

2.4 **Plant and Machinery**

To the extent that they are not the subject of a mortgage or a first fixed charge under clause 2.2 (Land), each Chargor charges by way of a first fixed charge all plant and machinery owned by it and its rights and interest in any plant or machinery in its possession.

2.5 **Credit Balances**

- (a) Each Chargor charges by way of a first fixed charge all of its rights in respect of any Account other than the Ordinary Accounts, any amount standing to the credit of any Account other than the Ordinary Accounts and the debt represented by it.
- (b) Each Chargor charges by way of a first fixed charge all of its rights in respect of the Ordinary Accounts in which it has an interest, any amount standing to the credit of an Ordinary Account and the debt represented by it.
- (c) Each Chargor charges by way of a first fixed charge all of its rights in respect of any account it has with any person other than the accounts referred to in paragraphs (a) and (b) above, any amount standing to the credit of any such account and the debt represented by it.

2.6 **Book Debts, etc.**

Each Chargor charges by way of a first fixed charge:

- (a) all of the Subordinated Liabilities (as such term is defined in the Intercreditor Agreement) owed to such Chargor;
- (b) all of its book and other debts;
- (c) all other moneys due and owing to it; and
- (d) the benefit of all rights in relation to any item under paragraphs (a) to (c) above.

2.7 **Insurances**

- (a) Each Chargor assigns absolutely, subject to a proviso for reassignment on redemption, all of its Insurances.
- (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 Insurances.

2.8 Other Contracts

(a) Each Chargor:

(i) assigns absolutely, subject to a proviso for reassignment on redemption, all of its rights;

- (A) under the L&G Agreement for Lease;
- (B) under each L&G Core Lease;
- (C) under the L&G Shared Ownership Leases;
- (D) under the L&G Development and Funding Agreement;
- (E) under the L&G Finance Guarantee;
- (F) under the L&G Performance Guarantee;
- (G) under the L&G Deed of Covenant;
- (H) under any other L&G Document;
- (I) under each Agreement for Commercial Lease;
- (J) under any Agreement for Overriding Lease;
- (K) under each Residential Unit Disposal Document;
- (L) under each other Agreement for Lease;
- (M) under each Commercial Lease;
- (N) under each Residential Unit Lease;
- (O) under any Overriding Lease;
- (P) under each other Lease Document;
- (Q) in respect of all Operating Income;
- (R) in respect of all Deposits;
- (S) in respect of all Residential Unit Disposal Proceeds (other than Deposits);
- (T) under any guarantee of Operating Income contained in or relating to any Lease Document;
- (U) under any document, agreement or instrument to which it and any nominee or trustee is party in respect of an Investment;
- (V) in respect of any agreement relating to the purchase of a Mortgaged Property by a Chargor; and

(ii) charges by way of a first fixed charge:

- (A) under each Trade Contract;
- (B) under each Consultant Appointment;

- (C) under the Construction Management Agreement;
 - (D) under any appointment of a Development Manager;
 - (E) under any appointment of an Asset Manager;
 - (F) under any Vesting Certificate;
 - (G) the RW Deed;
 - (H) any guarantee given in favour of an Obligor to secure payments and/or performance under a Development Document (to the extent applicable);
 - (I) under any Performance Bond and any other performance bond or parent company guarantee given in favour of an Obligor to secure payments and/or performance under a Development Document (to the extent applicable);
 - (J) under each other Development Document;
 - (K) each Obligor Collateral Warranty; and
 - (L) all of its rights under any other document, agreement or instrument to which it is a party except to the extent that it is subject to any fixed security created under any other term of this clause 2.
- (b) To the extent that they have not been effectively assigned under paragraph (a)(i) above or are not capable of assignment without infringing any provision of such agreement but are capable of being charged, each Chargor charges by way of a first fixed charge all of its rights listed under paragraph (a)(i) above and all of its rights in respect of each other Relevant Contract.
- (c) To the extent that any agreement listed in paragraph (a)(i) above is not capable of assignment or charge without infringing any provision of such agreement, each Chargor charges by way of first fixed charge to the Security Agent the proceeds of any rights in respect of such agreement and each other Relevant Contract.

2.9 **Miscellaneous**

Each Chargor charges by way of first fixed charge:

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

2.10 **Fixed Security**

Clauses 2.2 to 2.9 (inclusive) shall be construed as creating a separate and distinct mortgage, fixed charge or security assignment over each relevant asset within any particular class of assets specified in this Deed. Any failure to create effective fixed security (for whatever reason) over an asset shall not affect the fixed nature of the security on any other asset, whether within the same class of assets or not.

2.11 **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.
- (b) Except as provided below, the Security Agent may by notice to any Chargor convert the floating charge created by this clause 2.11 (Floating Charge) into a fixed charge as regards any of the assets specified in that notice if:
 - (i) an Event of Default is continuing; or
 - (ii) the Security Agent (acting reasonably) considers those assets to be in danger of becoming subject to any Security (other than as permitted in accordance with the terms of the Senior Facility Agreement) or 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 sub paragraph (d) below, notwithstanding any other provision of this Deed, in respect of any floating charge created by this Deed, the obtaining of a moratorium under Part A1 of the Insolvency Act 1986, or anything done with a view to obtaining such a moratorium (including any preliminary decision or investigation), shall not be an event causing a floating charge created by this Deed to crystallise or be an event causing restrictions which would not otherwise apply to be imposed on the disposal of property by any Chargor or be a ground for the appointment of a Receiver.
- (d) Sub paragraph (c) above does not apply to any floating charges referred to in sub section (4) of section A52 of Part A1 of the Insolvency Act 1986.
- (e) The floating charge created by this clause will automatically convert into a fixed charge over all of a Chargor's assets if an administrator is appointed or the Agent receives notice of an intention to appoint an administrator.
- (f) The floating charge created by this clause is a "**qualifying floating charge**" for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

3. **RESTRICTIONS ON DEALINGS**

3.1 **Security**

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

3.2 **Disposals**

Except as expressly allowed under the Senior Facility Agreement, 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 Security Asset.

4. **LAND**

4.1 **Notices to Tenants**

- (a) Each relevant Chargor must deliver a signed but undated notice of assignment, substantially in the form of part 1 of schedule 3 (Forms of Letter for Occupational Tenants), in respect of each tenant of the Mortgaged Property (other than any counterparty to a Residential Unit Disposal Document or a Residential Unit Lease, any statutory undertaker or any counterparty to a sub-station lease) to the Security Agent, such notice to be delivered:
 - (i) on the date of this Deed for all tenants in place on that date; and
 - (ii) for any new tenant, within 5 Business Days from and excluding the date such tenant enters into a Lease Document with it; and
- (b) The Security Agent is hereby authorised to date and deliver (or require that the relevant Chargor or Chargors date and deliver) to any tenant in respect of the Mortgaged Property any signed but undated notices in the Security Agent's possession from time to time following the occurrence of an Event of Default which is continuing, without any further consent or approval being required from the Chargors.
- (c) Each relevant Chargor must use reasonable endeavours to ensure that each tenant to whom the Security Agent has confirmed a notice has been served in accordance with paragraph (b) above, acknowledges that notice, substantially in the form of part 2 of schedule 3 (Forms of Letter for Occupational Tenants).

4.2 **Acquisitions**

If any Chargor acquires any freehold or leasehold property in England and Wales after the date of this Deed that Chargor must:

- (a) notify the Security Agent immediately;
- (b) immediately on request by the Security Agent and at its own cost, execute and deliver to the Security Agent a charge by way of legal mortgage over that property in favour of the Security Agent substantially in the form specified in Schedule 8 (Form of Supplemental Legal Mortgage) to this Deed; and
- (c)
 - (i) if the title to that freehold or leasehold property is registered at the Land Registry or required to be so registered, give the Land Registry written notice of this Security; and
 - (ii) if applicable, ensure that this Security is correctly noted against that title in the title register at the Land Registry.

4.3 **Land Registry**

Each Chargor consents to a restriction in the following terms being entered into on the Register of Title relating to any Mortgaged Property in which it has an interest registered at the Land Registry:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] 2021 in favour of Cain International Agent Limited (as Security Agent) referred to in the charges register or their conveyancer." (Standard Form P).

4.4 **Deposit of Title Deeds**

Each Chargor must promptly:

- (a) deposit with the Security Agent all deeds and documents necessary to show good and marketable title to any property referred to in clause 4.2 (Acquisitions) (the "**Title Documents**");
- (b) procure that the Title Documents are held at the applicable Land Registry; or
- (c) procure that the Title Documents are held, subject to an acceptable undertaking, to the order of the Security Agent by a firm of solicitors approved by the Security Agent for that purpose.

5. **INVESTMENTS**

5.1 **Representations**

Each Chargor represents and warrants to the Security Agent (on behalf of each Secured Party) that:

- (a) the Investments are fully paid; and
- (b) it is the sole legal and beneficial owner of the Investments.

5.2 **Deposit**

Each Chargor must promptly:

- (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 stock transfer forms and other documents which may be requested by the Security Agent in order to enable the Security Agent or its nominees to be registered as the owner of or otherwise obtain a legal title to its Investments.

5.3 **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 Senior Facility Agreement.
- (b) If any Chargor fails to do so, the Security Agent may pay the calls or other payments in respect of any of that Chargor's Investments on behalf of that Chargor. The relevant Chargor must immediately on request reimburse the Security Agent for any payment made by the Security Agent under this clause 5.3 (Calls).

5.4 **Other obligations in respect of Investments**

- (a) Each Chargor must promptly 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 obligations assumed by it in respect of any of its Investments.
- (c) The Security Agent is not obliged to:
 - (i) perform any obligation of a Chargor;

- (ii) make any payment;
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or a 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.

5.5 **Voting Rights**

- (a) Before this Security becomes enforceable:
 - (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 Senior Facility Agreement must be paid into an Account in accordance with the Senior Facility Agreement.
- (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) After this Security has become enforceable, the Security Agent may exercise (in the name of the relevant Chargor and without any further consent or authority on the part of that Chargor), refrain from exercising, or disclaim any right to exercise, 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. Any exercise of such voting rights may only be for the purpose of preserving the value of the security given by this Deed or facilitating the realisation of it.

6. **ACCOUNTS**

6.1 **General**

In this clause 6 **Account Bank** means a person with whom an Account is maintained under the Senior Facility Agreement.

6.2 **Book Debts and Receipts**

- (a) Each Chargor must collect in and realise any:
 - (i) Operating Income and other amounts due from tenants or any other occupiers of the Mortgaged Property in which it has an interest; and
 - (ii) book and other debts and other moneys due and owing to it,

in the ordinary course of its business and hold the proceeds of such collection and realisation (until payment into an Account if required in accordance with paragraph (b) below) on trust for the Security Agent.

- (b) Each Chargor must, except to the extent that the Security Agent otherwise agrees or as otherwise provided in this Deed or the Senior Facility Agreement, pay (or procure the payment of) all the proceeds of such collection and realisation into an Account in accordance with the Senior Facility Agreement.

6.3 Notices of Charge

Each Chargor must:

- (a) immediately serve a notice of charge, substantially in the form of part 1 of schedule 4 (Forms of Letter for Account Bank) (or in such other form as may be agreed between the relevant Chargor and the Security Agent), on each Account Bank with which it holds an Account; and
- (b) use reasonable endeavours to ensure that each Account Bank acknowledges the notice, substantially in the form of part 2 of schedule 4 (Forms of Letter for Account Bank) (or in such other form as may be agreed between the relevant Chargor and the Security Agent).

- 6.4 No Chargor may withdraw all of any monies from time to time standing to the credit of an Account, except as permitted by the Senior Facility Agreement.

7. INSURANCES

7.1 Proceeds of Insurances

Each Chargor will collect all amounts payable to it under the Insurances and forthwith pay those monies into such Accounts as are required by the Senior Facility Agreement (subject to any restrictions or requirements contained in the Intercreditor Agreement) and, pending that payment, hold those proceeds on trust for the Security Agent.

7.2 Perfection of Insurances Security

Each Chargor must:

- (a) serve a notice of assignment, substantially in the form of part 1 of schedule 5 (Forms of Letter for Insurers) (or in such other form as may be agreed between the relevant Chargor and the Security Agent), on each counterparty to an Insurance under which it has an interest:
 - (i) promptly (and in any case within 1 Business Day) following entry into this Deed for all Insurances in place on that date; and
 - (ii) for any new Insurances entered into after the date of this Deed, promptly upon (and in any case within 5 Business Days from and excluding the date of) a Chargor entering into or otherwise acquiring an interest in that Insurance; and
- (b) use reasonable endeavours to ensure that such counterparty acknowledges that notice, substantially in the form of part 2 of schedule 5 (Forms of Letter for Insurers) (or in such other form as may be agreed between the relevant Chargor and the Security Agent).

8. OTHER CONTRACTS

8.1 L&G Documents

Each Chargor must:

- (a) serve a notice of assignment or charge, substantially in the form of part 3 of Schedule 6 (Forms of Letter for Other Contracts) (or in such other form as may be agreed between the relevant Chargor and the Security Agent), on each counterparty to an L&G Document under which it has an interest:
 - (i) promptly (and in any case within 1 Business Day) following entry into this Deed for all L&G Documents in existence on that date; and
 - (ii) for any L&G Documents entered into after the date of this Deed, promptly upon (and in any case within 5 Business Days from and excluding the date of) a Chargor entering into or otherwise acquiring an interest in that L&G Document; and
- (b) use its best endeavours to ensure that such counterparty acknowledges that notice, substantially in the form of part 4 of schedule 6 (Forms of Letter for Other Contracts) (or in such other form as may be agreed between the relevant Chargor and the Security Agent).

8.2 **Development Documents (other than Deferred Notice Development Documents) and RW Deed**

Each Chargor must:

- (a) serve a notice of assignment or charge, substantially in the form of part 1 schedule 6 (Forms of Letter for Other Contracts) (or in such other form as may be agreed between the relevant Chargor and the Security Agent), on each counterparty to a Development Document (other than an Obligor Collateral Warranty, any Vesting Certificate, any guarantee given in favour of an Obligor to secure payments and/or performance under a Development Document or any Performance Bond or any other performance bond or parent company guarantee given in favour of an Obligor to secure payments and/or performance under a Development Document (together, the "**Deferred Notice Development Documents**")) under which it has an interest:
 - (i) promptly (and in any case within 1 Business Day) following entry into this Deed for all such Development Documents in existence on that date; and
 - (ii) for any new Development Documents (other than Deferred Notice Development Documents) and the RW Deed, promptly upon (and in any case within 5 Business Days from and excluding the date of) a Chargor entering into or otherwise acquiring an interest in that Development Document or the RW Deed; and
- (b) use reasonable endeavours to ensure that such counterparty acknowledges that notice, substantially in the form of part 2 of schedule 6 (Forms of Letter for Other Contracts) (or in such other form as may be agreed between the relevant Chargor and the Security Agent).

8.3 **Deferred Notice Development Documents and Other Documents**

Each Chargor must, following a request from the Security Agent to do so (which may only be delivered to a Chargor at any time after the occurrence of an Event of Default which is continuing in respect of any Deferred Notice Development Document or other Relevant Contract, except in respect of any such Deferred Notice Development Document or other Relevant Contract where the Security Agent is satisfied that notice of the Security created by this Deed has been given and acknowledged pursuant to a Duty of Care Agreement):

- (a) serve a notice of assignment or charge, substantially in the form of part 1 of schedule 6 (Forms of Letter for Other Contracts) (or in such other form as may be agreed between the relevant Chargor and the Security Agent), on (x) each counterparty to

a Deferred Notice Development Document under which it has an interest, and (y) each counterparty to any other Relevant Contract described in clause 2.8 (Other Contracts) (save as provided for elsewhere in this clause 8):

- (i) promptly (and in any case within 5 Business Days) following receipt by a Chargor of such request for all Deferred Notice Development Documents or other Relevant Contracts in place on the date of that request; and
 - (ii) for any new Deferred Notice Development Document or Relevant Contracts, promptly upon (and in any case within 5 Business Days of) a Chargor entering into or otherwise acquiring an interest in that Deferred Notice Development Document or Relevant Contract; and
- (b) use reasonable endeavours to ensure that such counterparty acknowledges that notice, substantially in the form of part 2 of schedule 6 (Forms of Letter for Other Contracts) (or in such other form as may be agreed between the relevant Chargor and the Security Agent).

9. **DEPOSITS**

- (a) Each Chargor must collect in and realise any Deposits and Residential Unit Disposal Proceeds, in each case in accordance with the terms of the relevant Residential Unit Disposal Documents.
- (b) Each Chargor must, at the request of the Security Agent:
 - (i) give notice to any firm of solicitors holding the Deposits or any other staged payments payable pursuant to any Residential Unit Disposal Document in the form set out in schedule 9 (Form of notice to solicitors holding the deposits paid pursuant to the Residential Unit Disposal Documents) (or in such other form as may be agreed between such firm of solicitors and the Security Agent); and
 - (ii) procure that the relevant firm of solicitors holding the Deposits or any other staged payments payable pursuant to any Residential Unit Disposal Document promptly acknowledge that notice by countersigning a copy of it and delivering that copy to the Security Agent (on the date of this Deed in respect of any Residential Unit Disposal Document entered into on or before the date of this Deed).
- (c) If the solicitor holding the Deposits or any other staged payments paid pursuant to any Residential Unit Disposal Document ceases to act for the Chargors, the Chargors will promptly following the termination of that solicitor's appointment give notice to the new firm of solicitors (the "**New Solicitors**") appointed to hold any Deposits or any other staged payments payable pursuant to any Residential Unit Disposal Document substantially in the form set out in schedule 9 (Form of notice to solicitors holding the deposits paid pursuant to the Residential Unit Disposal Documents) (or in such other form as may be agreed between such firm of solicitors and the Security Agent) and shall use reasonable endeavours to procure that the New Solicitors acknowledge that notice by countersigning a copy of it and delivering that copy to the Security Agent.

10. **INTELLECTUAL PROPERTY**

10.1 **Perfection of Intellectual Property Security**

Each Chargor appoints the Security Agent as its agent to apply for the Secured Parties' interest in that Chargor's registered Intellectual Property to be recorded on any of the

following registers, in the Security Agent's discretion (acting reasonably) at any time following the occurrence of an Event of Default which is continuing:

- (a) the relevant Intellectual Property register of the UK Intellectual Property Office;
- (b) the relevant Intellectual Property register of the EU Office of Harmonization for the Internal Market; and
- (c) all other national, regional and international Intellectual Property registers.

11. WHEN SECURITY BECOMES ENFORCEABLE

11.1 Event of Default

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

11.2 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 Intercreditor Agreement.

11.3 Statutory Powers

The power of sale and other powers conferred by section 101 of the Act, as amended by this Deed, shall arise on the date of this Deed and for that purpose the Secured Liabilities are deemed to have fallen due on the date of this Deed.

12. ENFORCEMENT OF SECURITY

12.1 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.

12.2 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.

12.3 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.

12.4 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.

12.5 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 any Chargor.
- (b) The Chargors (or any of them) must pay to the Security Agent, immediately on 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.

12.6 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 (which, to the extent available to the Security Agent or Receiver, shall be interest bearing).

12.7 Financial Collateral

- (a) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of any 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 (SI 2003/3226)), 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 Secured Party will give credit for the proportion of the value of the financial collateral appropriated to its use.

13. **PROTECTION OF SECURITY**

13.1 **Waiver of Defences**

The obligations of each Chargor under this Deed will not be affected by an act, omission, matter or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to it or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any person;
- (b) the release of any person under the terms of any composition or arrangement;
- (c) 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, any person;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

13.2 **Non-competition**

Until all amounts which may be or become payable in respect of the Secured Liabilities have been irrevocably paid in full and unless the Security Agent otherwise directs, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Deed or by reason of any amounts being payable, or liability arising under this Deed:

- (a) to claim any right of indemnity or contribution in respect of any payment made or other satisfaction of that Chargor's liability under this Deed;
- (b) to take the benefit (whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents; and/or
- (c) to claim or prove as a creditor of any Obligor in competition with any Secured Party.

Each Chargor shall hold any benefit, payment or distribution received by it contrary to this clause 13.2 (Non-competition) 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 (Application of Enforcement Proceeds).

13.3 **Release of Right of Contribution**

If any Chargor (a "**Retiring Chargor**") ceases to be a Chargor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Chargor, then on the date such Chargor ceases to be a Chargor:

- (a) that Chargor is released by each other Chargor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Chargor arising by reason of the performance by any other Chargor of its obligations under the Finance Documents; and
- (b) each other Chargor waives any rights it may have by reason of the performance of its obligations under the Finance Documents 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 any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Chargor.

14. RECEIVER

14.1 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) this Security has become enforceable; or
 - (ii) a 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 sub section (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.

14.2 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.

14.3 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.

14.4 Chargers' Agent

- (a) Each 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 the Chargors or any of them or to any other person) by reason of the appointment of a Receiver or for any other reason.

14.5 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.

15. POWERS OF RECEIVER

15.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this clause 15 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.

15.2 Possession

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

15.3 Carry on Business

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

15.4 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 the relevant Chargor.

15.5 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.

15.6 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 the relevant Chargor.

15.7 **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).

15.8 **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 the relevant Chargor or relating in any way to any Security Asset.

15.9 **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.

15.10 **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.

15.11 **Subsidiaries**

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

15.12 **Delegation**

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

15.13 **Lending**

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

15.14 **Protection of Assets**

A Receiver may:

- (a) effect any repair or insurance and do any other act which the relevant 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.

15.15 **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 the relevant Chargor for any of the above purposes.

16. **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 Intercreditor Agreement. This clause 16:

- (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 any Chargor.

17. **DELEGATION**

17.1 **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.

17.2 **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.

17.3 **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.

18. **FURTHER ASSURANCES**

- (a) Each Chargor must:
 - (i) Promptly (or, in respect of obligations set out in clause 6.3 (Notices of Charge), clause 7.2 (Perfection of Insurances Security) and clause 8 (Other Contracts) within the timeframes specified for such obligations within those clauses) at its own expense, take whatever action the Security Agent or a Receiver may require for:
 - (A) creating, perfecting or protecting any security over any Security Asset; or
 - (B) 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 (in each case in accordance with the terms of this Deed); and

- (ii) promptly following the occurrence of an Event of Default which is continuing, at its own expense, take whatever action the Security Agent or a Receiver may require to:
 - (A) assign absolutely (subject to a proviso for reassignment on redemption) to the Security Agent (or its nominee) by way of security, all of its rights under those Security Assets made subject to a fixed charge pursuant to clause 2.8(a)(ii) (Other Contracts); and
 - (B) to perfect any Security created pursuant to paragraph (A) above.

(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 and in such form as the Security Agent may require (acting reasonably).

19. POWER OF ATTORNEY

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 its full power and authority 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 that Chargor under or pursuant to any Debt Document to which it is a party, but which it has failed to do within five Business Days following notice of such failure being delivered to that Chargor, or generally for enabling the Security Agent or any Receiver to exercise the respective powers conferred on them under any Debt Document or by law. Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this clause 19.

20. MISCELLANEOUS

20.1 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.

20.2 Other Security

- (a) This security is to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other security or other right which the Security Agent or any other Secured Party may now or after the date of this Deed hold for any of the Secured Liabilities.
- (b) This security may be enforced against each Chargor without first having recourse to any other rights of the Security Agent or any other Secured Party.

20.3 Tacking

- (a) Each Senior Lender must perform its obligations under the Senior Facility Agreement to which they are a party (including any obligation to make available further advances which obligation is deemed to be incorporated into this Deed) and this Security has been made for securing those further advances.
- (b) In relation to Mortgaged Property, the Security Agent may apply to the Chief Land Registrar for a notice to be entered onto the Register of Title of all that Mortgaged Property (including any unregistered Mortgaged Property subject to compulsory first registration at the date of this Deed) that there is an obligation to make further advances on the security of the registered charge.

20.4 New Accounts

- (a) If any subsequent charge or other interest affects any Security Asset, a Secured Party may open a new account with the relevant Chargor.
- (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 will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

20.5 Time Deposits

Without prejudice to any right of set-off any Secured Party may have under any other Debt Document or otherwise, if any time deposit matures on any account a 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.

20.6 Notice to Chargor

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

20.7 Consent of Chargors

Each Chargor consents to the accession to this Deed of additional Chargors and agrees that any such accession will in no way prejudice the Security granted by it, or affect the covenants given by it, in this Deed.

21. RELEASE

At the end of the Security Period (or, in respect of any disposal of any Security Asset in accordance with the terms of the Senior Facility Agreement), the Security Agent must, at the request and cost of each Chargor (in accordance with the terms of the Senior Facility Agreement), take whatever action a Chargor may reasonably require to release (and/or reassign (where applicable)) its Security Assets (or, in respect of any disposal of a Security Asset in accordance with the terms of the Senior Facility Agreement, the Security Assets disposed of) from this Security.

22. **GOVERNING LAW AND JURISDICTION**

- (a) This deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.
- (b) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non-contractual obligations arising out of or in connection with this Deed) (a "**Dispute**").
- (c) The parties to this Deed 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.

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

SCHEDULE 1

Chargors

Name	Jurisdiction of incorporation	Company Number
Ballymore Deanston Limited Registered office: c/o Ballymore, 4th Floor, 161 Marsh Wall, London, United Kingdom, E14 9SJ	England & Wales	08779939
Ballymore Oxley Deanston Holding Company Limited Registered office: c/o Ballymore, 4th Floor, 161 Marsh Wall, London, United Kingdom, E14 9SJ	England & Wales	13243106
Ballymore Deanston Acquisition Company Limited Registered office: c/o Ballymore, 4th Floor, 161 Marsh Wall, London, United Kingdom, E14 9SJ	England & Wales	11678842

SCHEDULE 2

Security Assets

Part 1 - Real Property

Chargor	Registered Number	Details of Real Property	Title No.
Ballymore Limited	Deanston 08779939	The freehold land known as Deanston Wharf, Bradfield Road, Silvertown, London, E18 2AX	NGL72542

Part 2 - Insurances

Chargor	Registered Number	Insurer	Details of Insurances
Ballymore Deanston Limited	08779939	Aviva Insurance Ltd	Construction all risks, primary third party liability and non negligence, delay in start-up and terrorism insurance policy with the policy number CREUP2150021
Ballymore Deanston Limited	08779939	AIG UK Ltd	1st excess third party liability and excess non negligence policy with the policy number CREUP2150022
Ballymore Deanston Limited	08779939	HDI Global SE - UK	2nd excess third party liability and excess non negligence policy with the policy number CREUP2150023

109

Amount
Left on
benefit of
all
parties

Part 3 – Accounts

Chargor	Account Name	Account Bank	Sort Code	Account Number	Blocked?
Ballymore Deanston Limited	Development Account (referred to by Barclays Bank PLC as "Current Account")	Barclays Bank PLC			No
Ballymore Deanston Limited	Holding Account	National Westminster Bank PLC			Yes
Ballymore Deanston Limited	Cure Account	National Westminster Bank PLC			Yes
Ballymore Deanston Limited	Deposits Account	National Westminster Bank PLC			Yes
Ballymore Deanston Limited	Disposals Account	National Westminster Bank PLC			Yes
Ballymore Deanston Limited	Debt Service Account	National Westminster Bank PLC			Yes
Ballymore Deanston Limited	Operating Account	National Westminster Bank PLC			Yes
Ballymore Deanston Limited	Ballymore Deanston Limited	National Westminster Bank PLC			No

SCHEDULE 3

Forms of Letter for Occupational Tenants

Part 1 - Notice to Occupational Tenant

To: [Occupational tenant]

Copy: **CAIN INTERNATIONAL AGENT LIMITED** (as Security Agent, as defined below)
116 Upper Street, London N1 1QP

[Date]

Re: [Property address]

Security Agreement dated [●] 2021 between, among others, Ballymore Deanston Limited, and others (as Chargors) and Cain International Agent Limited (as Security Agent) (the "Security Agreement")

We refer to the lease dated [●] and made between [●] and [●] (the "**Lease**").

This letter constitutes notice to you that under the Security Agreement we have assigned absolutely (subject to a proviso for reassignment on redemption) to Cain International Agent Limited (as trustee for the Secured Parties as referred to in the Security Agreement, the "**Security Agent**") all our rights under the Lease.

We confirm that:

- (a) we will remain liable under the Lease to perform all the obligations assumed by us under the Lease; 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 Lease.

We will also remain entitled to exercise all our rights, powers and discretions under the Lease, and you should continue to give notices under the Lease 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 all notices must be given to, the Security Agent or as it directs.

We irrevocably instruct and authorise you to pay all rent and all other moneys payable by you under the Lease to [our account at [●], Account No. [●], Sort Code [●]][the account with [Manager] at [●], Account No. [●], Sort Code [●]] (the "**Collection Account**").

The instructions in this letter apply until you receive notice from the Security Agent to the contrary and notwithstanding any previous instructions given by us.

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 confirm your agreement to the above by signing the attached acknowledgement and returning it to the Security Agent at 116 Upper Street, London N1 1QP with a copy to us.

Yours faithfully,

.....
(Authorised Signatory)
[Chargor]

Part 2 - Acknowledgement of Occupational Tenant

To: **CAIN INTERNATIONAL AGENT LIMITED** as Security Agent
116 Upper Street, London N1 1QP

[Date]

Re: [Property address]

Security Agreement dated [●] 2021 between, among others, Ballymore Deanston Limited, and others (as Chargors) and Cain International Agent Limited (as Security Agent) (the "Security Agreement")

We confirm receipt from [Chargor] (the "**Chargor**") of a notice dated [●] (the "**Notice**") in relation to the Lease (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 any notice of any prior security over the Lease or that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Lease [(other than the Homes and Communities Agency (trading as Homes England))];
- (c) must pay all rent and all other moneys payable by us under the Lease into the Collection Account (as defined in the Notice); and
- (d) must continue to pay those moneys into the Collection Account (as defined in the Notice) until we receive your written instructions to the contrary.

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

Yours faithfully,

.....
For
[Occupational tenant]

SCHEDULE 4

Forms of Letter for Account Bank

Part 1 - Notice to Account Bank

To: [Account Bank]

Copy: **CAIN INTERNATIONAL AGENT LIMITED** (as Security Agent, as defined below)
116 Upper Street, London N1 1QP

[Date]

Security Agreement dated [●] 2021 between, among others, Ballymore Deanston Limited, and others (as Chargors) and Cain International Agent Limited (as Security Agent) (the "Security Agreement")

This letter constitutes notice to you that under the Security Agreement we have charged (by way of a first fixed charge) in favour of Cain International Agent Limited (as trustee for the Secured Parties as referred to in the Security Agreement, the "**Security Agent**") all our rights in respect of any account, and any amount standing to the credit of any account, maintained by us with you (as specified in the schedule to this notice) (the "**Accounts**").

We irrevocably instruct and authorise you to:

- (a) disclose to the Security Agent any information relating to any Account requested from you by the Security Agent;
- (b) comply with the terms of any written notice or instruction relating to any Account received by you from the Security Agent;
- (c) hold all sums standing to the credit of any Account to the order of the Security Agent; and
- (d) in respect of any Account other than an Ordinary Account (specified as such in the schedule to this notice) (an "**Ordinary Account**") pay or release any sum standing to the credit of any such Account in accordance with the written instructions of the Security Agent.

We are not permitted to withdraw any amount from any Account other than an Ordinary Account without the prior written consent of the Security Agent.

In respect of the Ordinary Accounts, we are permitted to withdraw any amount from an Ordinary Account for any purpose unless and until you receive a notice from the Security Agent to the contrary stating that we are no longer permitted to withdraw any amount from an Ordinary Account without its consent. On and from the date on which you receive any such notice, we will not be permitted to withdraw any amount from an Ordinary Account without the prior written consent of the Security Agent.

We acknowledge that you may comply with the instructions in this letter without any further permission from us.

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 confirm your agreement to the above by signing the attached acknowledgement and returning it to the Security Agent at 116 Upper Street, London N1 1QP with a copy to us.

Yours faithfully,

.....
(Authorised Signatory)
[Chargor]

SCHEDULE

The Accounts (other than the Ordinary Accounts)

Account Name	Sort Code	Account Number
[●]	[●]	[●]
[●]	[●]	[●]

The Ordinary Accounts

Account Name	Sort Code	Account Number
[●]	[●]	[●]
[●]	[●]	[●]

Part 2 - Acknowledgement of Account Bank

To: **CAIN INTERNATIONAL AGENT LIMITED** as Security Agent
116 Upper Street, London N1 1QP

Copy: [Chargor]

[Date]

Security Agreement dated [●] 2021 between, among others, Ballymore Deanston Limited, and others (as Chargors) and Cain International Agent Limited (as Security Agent) (the "Security Agreement")

We confirm receipt from [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 any amount standing to the credit of any of the Chargor's accounts with us (the "**Accounts**").

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, any Account [(other than the Homes and Communities Agency (trading as Homes England))];
- (c) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of any Account;
- (d) will not permit any amount to be withdrawn from any Account other than an Ordinary Account (as defined in the Notice) without your prior written consent; and
- (e) will comply with any notice we may receive from the Security Agent in respect of an Ordinary Account.

The Accounts maintained with us are:

The Accounts (other than the Ordinary Accounts)

Account Name	Sort Code	Account Number
[●]	[●]	[●]
[●]	[●]	[●]

The Ordinary Accounts

Account Name	Sort Code	Account Number
[●]	[●]	[●]
[●]	[●]	[●]

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 5

Forms of Letter for Insurers

Part 1 - Notice to Insurer

To: [Insurer]

Copy: **CAIN INTERNATIONAL AGENT LIMITED** (as Security Agent, as defined below)
116 Upper Street, London N1 1QP

[Date]

Security Agreement dated [●] 2021 between, among others, Ballymore Deanston Limited, and others (as Chargors) and Cain International Agent Limited (as Security Agent) (the "Security Agreement")

This letter constitutes notice to you that under the Security Agreement we have assigned absolutely, subject to a proviso for reassignment on redemption, to Cain International Agent Limited (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] (the "**Insurance[s]**").

We confirm that:

- (a) we will remain liable under the Insurance[s] to perform all the obligations assumed by us under the Insurance[s]; 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[s] (unless, and to the extent, otherwise expressly provided for in the Insurance[s]).

We will also remain entitled to exercise all our rights, powers and discretions under the Insurance[s], and you should continue to give notices and make payments under the Insurance[s] to us (unless, and to the extent, otherwise expressly provided for in the Insurance[s] or in any insurer letter you may have issued to the Security Agent in respect of the Insurance[s]), 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[s] or in any insurer letter you may have issued to the Security Agent in respect of the Insurance[s]).

We irrevocably instruct and authorise you to disclose to the Security Agent any information relating to the Insurance[s] 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 confirm your agreement to the above by signing the attached acknowledgement and returning it to the Security Agent at 116 Upper Street, London N1 1QP with a copy to us.

Yours faithfully,

.....
(Authorised signatory)
[Chargor]

Part 2 - Acknowledgement of Insurer

To: **CAIN INTERNATIONAL AGENT LIMITED** as Security Agent
116 Upper Street, London N1 1QP

Copy: [Chargor]

[Date]

Security Agreement dated [●] 2021 between, among others, Ballymore Deanston Limited, and others (as Chargors) and Cain International Agent Limited (as Security Agent) (the "Security Agreement")

We confirm receipt from [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;
- (b) have not received notice of any prior security over, or the interest of any third party in, the Insurance[s] [(other than the Homes and Communities Agency (trading as Homes England))];
- (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 Insurance[s]; and
- (d) will give notices and make payments under the Insurance[s] 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 6

Forms of Letter for Other Contracts

Part 1 - Notice to Counterparty (other than to an L&G Document)

To: [Contract Counterparty]

Copy: **CAIN INTERNATIONAL AGENT LIMITED** (as Security Agent, as defined below)
116 Upper Street, London N1 1QP

[Date]

Security Agreement dated [●] 2021 between, among others, Ballymore Deanston Limited, and others (as Chargors) and Cain International Agent Limited (as Security Agent) (the "Security Agreement")

This letter constitutes notice to you that under the Security Agreement we have [assigned absolutely, subject to a proviso for reassignment on redemption,]/[charged by way of a first fixed charge]¹ to Cain International Agent Limited (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 confirm your agreement to the above by signing the attached acknowledgement and returning it to the Security Agent at 116 Upper Street, London N1 1QP with a copy to us.

Yours faithfully,

.....
(Authorised signatory)

¹ Delete as applicable.

[Chargor]

Part 2 - Acknowledgement of Counterparty (other than L&G)

To: **CAIN INTERNATIONAL AGENT LIMITED** as Security Agent
116 Upper Street, London N1 1QP

Copy: [Chargor]

[Date]

Security Agreement dated [●] 2021 between, among others, Ballymore Deanston Limited, and others (as Chargors) and Cain International Agent Limited (as Security Agent) (the "Security Agreement")

We confirm receipt from [Chargor] (the "**Chargor**") of a notice dated [●] (the "**Notice**") of [an assignment]/[fixed charge]² 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;
- (b) have not received notice of any prior security over, or the interest of any third party in, the Contract [(other than the Homes and Communities Agency (trading as Homes England))];
- (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 Contract; and
- (d) 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]

² Delete as applicable.

Part 3 - Notice to L&G³

To: *[Contract Counterparties]*

Copy: **CAIN INTERNATIONAL AGENT LIMITED** (as Security Agent, as defined below)
116 Upper Street, London N1 1QP

[Date]

Security Agreement dated [●] 2021 between, among others, Ballymore Deanston Limited, and others (as Chargers) and Cain International Agent Limited (as Security Agent) (the "Security Agreement")

This letter constitutes notice to you that under the Security Agreement we have [assigned absolutely, subject to a proviso for reassignment on redemption,]/[charged by way of a first fixed charge]⁴ to Cain International Agent Limited (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 L&G Document(s)]* (the "**Contracts**").

We confirm that:

- (a) we will remain liable under the Contracts to which we are party to perform all the obligations assumed by us under the Contracts; 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 Contracts [save in circumstances where the Security Agent, its agents, any receiver or any other person has agreed to assume any obligation or liability to you].

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 confirm your agreement to the above by signing the attached acknowledgement and returning it to the Security Agent at 116 Upper Street, London N1 1QP with a copy to us.

Yours faithfully,

³ **Ashurst:** Form of notice to L&G to be confirmed as documentation is negotiated. Further confirmations from L&G may be required in this notice/acknowledgement.

⁴ Delete as applicable.

(Authorised signatory)
[Chargor]

Part 4 - Acknowledgement of L&G

To: **CAIN INTERNATIONAL AGENT LIMITED** as Security Agent
116 Upper Street, London N1 1QP

Copy: [Chargor]

[Date]

Security Agreement dated [●] 2021 between, among others, Ballymore Deanston Limited, and others (as Chargors) and Cain International Agent Limited (as Security Agent) (the "Security Agreement")

We confirm receipt from [Chargor] (the "**Chargor**") of a notice dated [●] (the "**Notice**") of [an assignment]/[fixed charge]⁵ on the terms of the Security Agreement of all the Chargor's rights in respect of [insert details of L&G Document(s)] (the "**Contracts**").

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, any of the Contracts [(other than the Homes and Communities Agency (trading as Homes England))];
- (c) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of any of the Contracts;
- (d) will not agree to amend, supplement, vary, waive, release or terminate any provision of a Contract to which we are party without the consent of the Security Agent;
- (e) [other]
- (f) will give notices and make payments under the Contracts 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 counterparties]

⁵ Delete as applicable.

SCHEDULE 7

Security Accession Deed

**[THIS INSTRUMENT MUST BE REGISTERED AT THE COMPANIES REGISTRY. PLEASE
CONSIDER OTHER NECESSARY FILINGS]**

THIS SECURITY ACCESSION DEED is made on ●

BETWEEN:

- (1) ● (a company incorporated in [●] with registered number ●) (the "**New Chargor**"); and
- (3) **CAIN INTERNATIONAL AGENT LIMITED** as security trustee for itself and the other Secured Parties (the "**Security Agent**"), which expression shall include any person from time to time appointed as a successor, replacement or additional trustee in relation to the interests created by this Deed).

RECITAL:

This deed is supplemental to a security agreement dated ● 2021 between, among others, the Chargors named therein and the Security Agent, as previously supplemented and amended by earlier Security Accession Deeds (if any) (the "**Security Agreement**").

NOW THIS DEED WITNESSES as follows:

1. INTERPRETATION

1.1 Definitions

Terms defined in the Security Agreement have the same meaning when used in this Deed.

1.2 Construction

Clause 1.2 (Construction) of the Security Agreement will be deemed to be set out in full in this Deed, but as if references in that clause to the Security Agreement were references to this Deed.

2. ACCESSION OF NEW CHARGOR

2.1 Accession

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.

2.2 General

The New Chargor must pay or discharge the Secured Liabilities in the manner provided for in the Finance Documents.

2.3 Land

(a) The New Chargor charges:

- (i) by way of a first legal mortgage all estates, rights and interests in any freehold or leasehold property now owned by it; this includes the real property (if any) specified in part 1 of schedule 1 (Security Assets); 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, rights and interests in any freehold or leasehold property now or subsequently owned by it.
 - (b) A reference in this clause 2.3 to a mortgage or charge of any freehold or leasehold property includes:
 - (i) all buildings, fixtures (including trade fixtures), fittings and fixed plant and machinery on that property; and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the New Chargor in respect of that property or any moneys paid or payable in respect of those covenants.
- 2.4 Investments**
- The New Chargor charges by way of a first fixed charge its rights and interest in all its Investments.
- 2.5 Plant and Machinery**
- To the extent that they are not the subject of a mortgage or a first fixed charge under clause 2.3 (Land), the New Chargor charges by way of a first fixed charge all plant and machinery owned by the New Chargor and its rights and interest in any plant or machinery in its possession.
- 2.6 Credit Balances**
- The New Chargor charges by way of a first fixed charge all of its rights in respect of any account it has with any person any amount standing to the credit of any such account and the debt represented by it.⁶
- 2.7 Book Debts, etc.**
- The New Chargor charges by way of a first fixed charge:
- (a) all of the Subordinated Liabilities (as such term is defined in the Intercreditor Agreement) owed to the New Chargor;
 - (b) all of its book and other debts;
 - (c) all other moneys due and owing to it; and
 - (d) the benefit of all rights in relation to any item under paragraphs (a) to (c) above.
- 2.8 Insurances**
- (a) The New Chargor assigns absolutely, subject to a proviso for reassignment on redemption, all of its Insurances.
 - (b) To the extent that they have not been effectively assigned under paragraph (a) above, the New Chargor charges by way of a first fixed charge all of its Insurances.
- 2.9 Other Contracts**

⁶ Drafting note: distinguish between blocked and unblocked accounts as required, as per clause 2.5 (Credit Balances) of the Original Security Agreement.

- (a) The New Chargor:
- (i) assigns absolutely, subject to a proviso for reassignment on redemption, all of its rights;
- (A) under the L&G Agreement for Lease;
 - (B) under each L&G Core Lease;
 - (C) under the L&G Shared Ownership Leases;
 - (D) under the L&G Development and Funding Agreement;
 - (E) under the L&G Finance Guarantee;
 - (F) under the L&G Performance Guarantee;
 - (G) under the L&G Deed of Covenant;
 - (H) under any other L&G Document;
 - (I) under each Agreement for Commercial Lease;
 - (J) under any Agreement for Overriding Lease;
 - (K) under each Residential Unit Disposal Document;
 - (L) under each other Agreement for Lease;
 - (M) under each Commercial Lease;
 - (N) under each Residential Unit Lease;
 - (O) under any Overriding Lease;
 - (P) under each other Lease Document;
 - (Q) in respect of all Operating Income;
 - (R) in respect of all Deposits;
 - (S) in respect of all Residential Unit Disposal Proceeds (other than Deposits);
 - (T) under any guarantee of Operating Income contained in or relating to any Lease Document;
 - (U) under any document, agreement or instrument to which it and any nominee or trustee is party in respect of an Investment;
 - (V) in respect of any agreement relating to the purchase of a Mortgaged Property by the New Chargor; and
- (ii) charges by way of a first fixed charge:
- (A) under each Trade Contract;

⁷ Drafting note: list of documents in this section replicates the Original Security Agreement. New documents may need to be added and some of these may not be relevant.

- (B) under each Consultant Appointment;
 - (C) under the Construction Management Agreement;
 - (D) under any appointment of a Development Manager;
 - (E) under any appointment of an Asset Manager;
 - (F) under any Vesting Certificate;
 - (G) the RW Deed;
 - (H) any guarantee given in favour of an Obligor to secure payments and/or performance under a Development Document (to the extent applicable);
 - (I) under any Performance Bond and any other performance bond or parent company guarantee given in favour of an Obligor to secure payments and/or performance under a Development Document (to the extent applicable);
 - (J) under each other Development Document;
 - (K) each Obligor Collateral Warranty; and
 - (L) all of its rights under any other document, agreement or instrument to which it is a party except to the extent that it is subject to any fixed security created under any other term of this clause 2.
- (b) To the extent that they have not been effectively assigned under paragraph (a)(i) above, the New Chargor charges by way of a first fixed charge all of its rights listed under paragraph (a)(i) above and all of its rights in respect of each other Relevant Contract.
 - (e) To the extent that any agreement listed in paragraph (a)(i) above is not capable of assignment or charge without infringing any provision of such agreement, the New Chargor charges by way of first fixed charge to the Security Agent the proceeds of any rights in respect of such agreement and each other Relevant Contract.

2.10 **Miscellaneous**

The New Chargor charges by way of first fixed charge:

- (a) its goodwill;
- (b) the benefit of any Authorisation (statutory or otherwise) held in connection with its use of any Security Asset;
- (c) the right to recover and receive compensation which may be payable to it in respect of any Authorisation referred to in paragraph (b) above;
- (d) its uncalled capital;
- (e) its Intellectual Property including the intellectual property rights (if any) listed in Schedule 3; and
- (f) the benefit of all rights in relation to any item under paragraphs (a) to (e) above.

22.2 **Fixed Security**

Clauses 2.3 to 2.10 (inclusive) shall be construed as creating a separate and distinct mortgage, fixed charge or security assignment over each relevant asset within any particular class of assets specified in this Deed. Any failure to create effective fixed security (for whatever reason) over an asset shall not affect the fixed nature of the security on any other asset, whether within the same class of assets or not.

2.11 Floating Charge

- (a) The New 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.
- (a) Except as provided below, the Security Agent may by notice to the New Chargor convert the floating charge created by this clause 2.11 (Floating Charge) into a fixed charge as regards any of the assets specified in that notice if:
 - (i) an Event of Default is continuing; or
 - (ii) the Security Agent (acting reasonably) 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.
- (b) Subject to sub paragraph (d) below, notwithstanding any other provision of this Deed, in respect of any floating charge created by this Deed, the obtaining of a moratorium under Part A1 of the Insolvency Act 1986, or anything done with a view to obtaining such a moratorium (including any preliminary decision or investigation), shall not be an event causing a floating charge created by this Deed to crystallise or be an event causing restrictions which would not otherwise apply to be imposed on the disposal of property by the New Chargor or be a ground for the appointment of a Receiver.
- (c) Sub paragraph (c) above does not apply to any floating charges referred to in sub section (4) of section A52 of Part A1 of the Insolvency Act 1986.
- (d) The floating charge created by this clause will automatically convert into a fixed charge over all of the New Chargor's assets if an administrator is appointed or the Agent receives notice of an intention to appoint an administrator.
- (e) The floating charge created by this clause is a **"qualifying floating charge"** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

3. INCORPORATION INTO SECURITY AGREEMENT

The Security Agreement and this Deed shall be read together as one instrument on the basis that references in the security agreement to **"this Deed"** will be deemed to include this Deed.

4. GOVERNING LAW

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

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

SCHEDULE 1

Part 1 - Real Property

Chargor	Registered Number	Details of Real Property	Title No.
[●] [●]	[●] [●]	[●] [●]	[●] [●]

Part 2 - Insurances

Chargor	Registered Number	Details of Insurances
[●] [●]	[●] [●]	[●] [●]

Part 3 - Accounts

Chargor	Account Name	Sort Code	Account Number	Blocked?
[●] [●]	[●] [●]	[●] [●]	[●] [●]	[Yes/No] [Yes/No]

SCHEDULE 2

Relevant Contract[s]

Description	Date	Parties
[●] [●]	[●] [●]	[●] [●]

SCHEDULE 3

Intellectual Property

[●]

SIGNATORIES TO SECURITY ACCESSION DEED

[INTENTIONALLY OMITTED]

SCHEDULE 8

Form of Supplemental Legal Mortgage



Draft (●): ● 20●

Supplemental Legal Mortgage

●

as Chargor

and

Cain International Agent Limited

as Security Agent

relating to [freehold]/[leasehold] land and buildings
known as [***use Land Registry description***] [and
registered under title number ● at the Land
Registry]

**THIS DEED IS SUBJECT TO THE TERMS OF AN INTERCREDITOR AGREEMENT (AS DEFINED
HEREIN)**

_____ 20[●]

THIS DEED is made on [●]

BETWEEN:

- (1) [●] (a company incorporated in [England and Wales] with registered number [●]) (the "**Chargor**"); and
- (2) **CAIN INTERNATIONAL AGENT LIMITED** as security trustee for itself and the other Secured Parties (the "**Security Agent**"), which expression shall include any person from time to time appointed as a successor, replacement or additional trustee in relation to the interests created by this Deed).

RECITALS:

- (A) This deed is supplemental to a security agreement dated ● (the "**Original Security Agreement**") between, amongst others, the Chargor and the Security Agent.
- (B) The Chargor has acquired the property specified in the schedule to this Deed (the "**Property**") and is required to enter into this Deed by clause [19] (Further Assurances) of the Original Security Agreement.
- (C) This deed is supplemental to the Original Security Agreement and it is intended that it takes effect as a deed notwithstanding the fact that a party may only execute it under hand.

THE PARTIES AGREE as follows:

1. INTERPRETATION AND CONSTRUCTION

- 1.1 Words and expressions defined in the Original Security Agreement and in the [Senior] Facilities Agreement (itself defined in the Original Security Agreement) have, unless expressly defined in this Deed or the context requires otherwise, the same meaning in this Deed.
- 1.2 The provisions of clause 1.2 (Construction) of the Original Security Agreement apply to this Deed as though they were set out in full in this Deed except that references to the Original Security Agreement are to be construed as references to this Deed.

2. CHARGING CLAUSE

- (a) The Chargor charges by way of a first legal mortgage all estates, rights and interests in any freehold or leasehold property now owned by it; this includes the real property (if any) specified in part 1 of schedule 1 (Security Assets);
- (b) A reference in this clause 2 to a mortgage or charge of any freehold or leasehold property includes:
 - (i) all buildings, fixtures (including trade fixtures), fittings and fixed plant and machinery on that property; and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

3. INCORPORATION

- 3.1 The provisions of clauses [19] (Further Assurance) to clause [20] (Miscellaneous) (both inclusive) of the Original Security Agreement shall be deemed to be incorporated into this Deed with all necessary modifications as if they were set out in full in this Deed and

references in the Original Security Agreement to "a Chargor" shall be deemed to be references to the Chargor.

- 3.2 References in the Original Security Agreement to **"this Deed"**, **"hereof"**, **"hereunder"** and expressions of similar import shall be deemed to be references to the Original Security Agreement (as amended and supplemented by this Deed) and to this Deed.

4. **LAND REGISTRY**

- 4.1 The Chargor consents to a restriction in the following terms being entered into on the Register of Title relating to the Property registered at the Land Registry:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] 2021 in favour of Cain International Agent Limited (as Security Agent) referred to in the charges register or their conveyancer." (Standard Form P).

- 4.2 Each Senior Lender must perform its obligations under the Senior Facility Agreement to which they are a party (including any obligation to make available further advances which obligation is deemed to be incorporated into this Deed) and this Security has been made for securing those further advances.
- 4.3 In relation to the Property, the Security Agent may apply to the Chief Land Registrar for a notice to be entered onto the Register of Title of such Property (including any unregistered Property subject to compulsory first registration at the date of this Deed) that there is an obligation to make further advances on the security of the registered charge.

5. **CONTINUATION**

- 5.1 The Original Security Agreement will remain in full force and effect as supplemented by this Deed. From the date of this Deed, the Original Security Agreement and this Deed shall be read and construed together.
- 5.2 This security is to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other security or right which the Security Agent and/or any other Secured Party may now or after the date of this Deed hold for any of the Secured Obligations.

6. **RESTRICTIONS ON DEALINGS**

6.1 **Security**

Except as expressly allowed under the Senior Facility Agreement or this Deed, the Chargor may not create or permit to subsist any Security on any Security Asset.

6.2 **Disposals**

Except as expressly allowed under both of Senior Facility or this Deed, the Chargor may not 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 Security Asset.

7. **FINANCE DOCUMENT AND DEBT DOCUMENT**

This document is hereby designated as a Finance Document for the purposes of the Senior Facility Agreement and as a Debt Document for the purposes of the Intercreditor Agreement.

8. **GOVERNING LAW AND JURISDICTION**

- (a) This deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.
- (b) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non-contractual obligations arising out of or in connection with this Deed) (a "**Dispute**").
- (c) The parties to this Deed 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.

THIS DEED has been entered into as a deed on the date stated at the beginning of this Deed.

SCHEDULE

The Property

Chargor	Registered Number	Details of Real Property	Title No.
[●]	[●]	[●]	[●]

SIGNATORIES TO SUPPLEMENTAL LEGAL MORTGAGE

[INTENTIONALLY OMITTED]

SCHEDULE 9

Form of notice to solicitors holding the deposits paid pursuant to the Residential Unit Disposal Documents

To: [●] LLP

Dated: 20[●]

Re: Ballymore Deanston Limited – Contracts for the sale of land (the "Residential Unit Disposal Documents") in respect of parts of the land known as [●] (the "Property")

We notify you that Ballymore Deanston Limited (the "**Chargor**") charged to Cain International Agent Limited as security trustee (the "**Security Agent**") for itself and certain other parties all its right, title and interest in and to the deposits from time to time paid pursuant to the Residential Unit Disposal Documents and held by you on behalf of the Chargor and to all interest (if any) accruing on such deposits.

For the purposes of this notice the following words and phrases shall have the following meanings:

- | | |
|---|--|
| "Agent Deposits" | means those Deposits (or part thereof) which are from time to time held by the Deposit Holder as agents for the Chargor (as vendor) pursuant to the terms of any Residential Unit Disposal Document and any part thereof that relates to a reservation fee; |
| "Deposits" | means the Stakeholder Deposits and the Agent Deposits; |
| "Deposit Holder" | means [●] LLP (i.e. you); |
| "Stakeholder Deposits" | mean those Deposits (or part thereof) which are from time to time held by the Deposit Holder as stakeholder pursuant to the terms of any Residential Unit Disposal Document and any part thereof that relates to a reservation fee; |
| "Residential Unit" | means each individual residential unit constructed on the Property (excluding, for the avoidance of doubt, any affordable unit); and |
| "Residential Unit Disposal Proceeds" | means the completion monies (which are not then held to the order of the relevant buyer's solicitors) paid by a buyer under a Residential Unit Disposal Document (and which will include any Stakeholder Deposit then held in respect of that disposal), less: <ul style="list-style-type: none">a) the aggregate of all third party costs and expenses (excluding any tax payable on any capital gain realised on or profit from any disposal) in relation to the disposal of the relevant Residential Unit, including:<ul style="list-style-type: none">a. the Deposit Holder's agreed fees and disbursements in relation to the disposal of that Residential Unit pursuant to a Residential Unit Disposal Document; andb. any sale agency fees payable to any sales agency in respect of the disposal of that Residential Unit (provided such amount is payable pursuant to an arm's length sales agency agreement entered into between the relevant sales agent and the Chargor); and |

- b) the amount of any cash incentives due to the relevant buyer under a Residential Unit Disposal Document.

We irrevocably authorise and instruct you:

1. in respect of any Agent Deposits held by you, to promptly pay (and to hold on trust to pay until so paid) such amounts (other than any amount of any Agent Deposit retained by you on account of your agreed fees and disbursements in relation to the disposal of that Residential Unit) into the following account (without withholding, set off or counterclaim):

Account name: Deposits Account
Account bank: [●]
Sort Code: [●]-[●]-[●]
Account Number: [●]
Reference: Deanston – [unit number]

or such other account as may be notified to you by the Security Agent from time to time (the "**Deposits Account**");

2. in relation to any Stakeholder Deposits (if any) held by you in respect of the Property, to hold such Stakeholder Deposits in your client account, and (when such Stakeholder Deposit is released to the Chargor) to promptly pay (and hold on trust to pay until so paid) such amounts (other than any amount of any Stakeholder Deposit retained by you on account of your agreed fees and disbursements in relation to the disposal of that Residential Unit) into the following account (without withholding, set off or counterclaim):

Account name: Disposals Account
Account bank: [●]
Sort Code: [●]-[●]-[●]
Account Number: [●]
Reference: Deanston – [unit number]

or such other account as may be notified to you by the Security Agent from time to time (the "**Disposals Account**");

3. in relation to any Residential Unit Disposal Proceeds held by you, to promptly pay (and hold on trust to pay until so paid) such amounts into the Disposals Account (without withholding, set off or counterclaim);
4. to ensure that any reservation fees received by you in relation to the reservation of a Residential Unit shall be held by you as part of and on the same terms as the Deposits received under the Residential Unit Disposal Documents and to the extent any Deposits are surrendered or any reservation fee is surrendered to promptly pay (and hold on trust to pay until so paid) such amounts into the Disposals Account (without withholding, set off or counterclaim);
5. to only accept Deposits (other than any part thereof that relates to a reservation fee) or sale proceeds pursuant to any Residential Unit Disposal Document from firms of solicitors which are regulated by the Solicitors Regulation Authority or from licensed conveyancers regulated by the Council for Licensed Conveyancers, and not to provide in any Residential Unit Disposal Document for any Deposit or sale proceeds to be paid in whole or part directly into any account of the Chargor;
6. in respect of any disposals where you are acting, to ensure that all Stakeholder Deposits are held in your client account (and not in any other firm of solicitors' or licensed conveyancers client account or any other account save where the period of time between exchange and completion is less than 5 working days in which case the relevant buyer's solicitors may hold the relevant Deposit to your order pending actual completion)) in your capacity as solicitors to the Chargor; and

7. in respect of any disposals where you are acting, to disclose to the Security Agent any information relating to the Deposits and/or the Residential Unit Disposal Documents within your possession which the Security Agent may from time to time request you to provide.

The provisions of this notice may only be revoked or varied with the prior written consent of the Security Agent.

Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to the Chargor) by way of your confirmation that:

- (a) in respect of any disposals where you are acting, you accept the instructions contained in this notice and agree to act in accordance with the provisions of this notice (unless you cease acting for the Chargor in respect of any Residential Unit Disposal Documents in which case you will notify the Security Agent as soon as reasonably practicable and in any event within 5 working days of you becoming aware that you are to cease acting);
- (b) you have not received written notice that the Chargor has assigned or charged its rights to the Deposits or the Residential Unit Disposal Proceeds or otherwise granted any security or other interest over those monies in favour of any third party [(other than the Homes and Communities Agency (trading as Homes England))];
- (c) you will not exercise any right of set-off or lien or any similar rights in relation to the Deposits (save in relation to your agreed fees and disbursements as provided in paragraphs 1 and 2 which can be retained from the Deposits) or the Residential Unit Disposal Proceeds;
- (d) you have not claimed or exercised, nor do you have outstanding any right to claim or exercise against the Chargor, any right of set-off, counter-claim or other right relating to the Deposits or the Residential Unit Disposal Proceeds; and
- (e) as at the date of your acknowledgment of this notice, you have not received any Deposits and (in respect of any disposals where you are acting) no Residential Unit Disposal Documents have been exchanged.

Your obligations hereunder shall be subject to any order by a competent court which would otherwise render you unable to meet such obligations and of which you have given notice to the Security Agent.

The provisions of this notice are governed by English law.

Yours faithfully

.....
Name:
for and on behalf of
[Chargor]

SIGNATORIES

Chargors

Signed as a deed by **BALLYMORE**)
DEANSTON LIMITED)
)
acting by a director in the presence of a)
witness:)



Signature of director

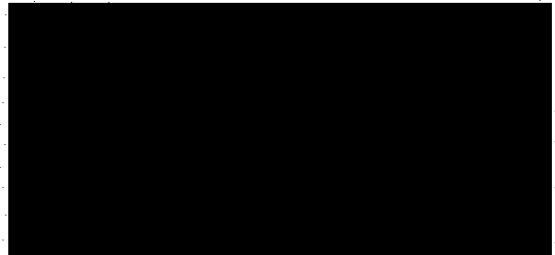


Signature of witness

Name of witness

DAREN G. JARVIS

Address of witness



Occupation of witness

Notices:

Address: Ballymore, 4th Floor, 161 Marsh Wall, London, United Kingdom E14 9SJ

Attn: Group General Counsel

Email: lfoweather@ballymoregroup.com

Signed as a deed by **BALLYMORE OXLEY**
DEANSTON HOLDING COMPANY
LIMITED

acting by a director in the presence of a
witness:

Signature of director

Signature of witness

Name of witness

Address of witness

Occupation of witness

[Redacted Signature of Director]

[Redacted Signature of Witness]

KAREN CORMAN

[Redacted Address of Witness]

Notices:

Address: Ballymore, 4th Floor, 161 Marsh Wall, London, United Kingdom E14 9SJ

Attn: Group General Counsel

Email: lfoweather@ballymoregroup.com

Signed as a deed by **BALLYMORE
DEANSTON ACQUISITION COMPANY
LIMITED**

acting by a director in the presence of a
witness:

Signature of director

Signature of witness

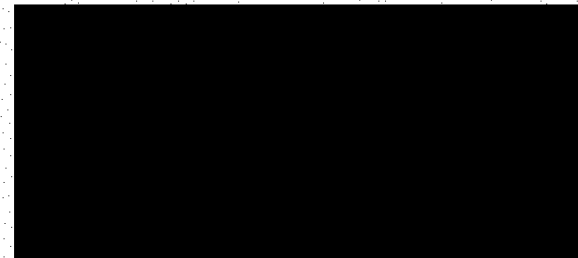
Name of witness

Address of witness

Occupation of witness



CAREN GORMAN



Notices:

Address: Ballymore, 4th Floor, 161 Marsh Wall, London, United Kingdom E14 9SJ

Attn: Group General Counsel

Email: lfoweather@ballymoregroup.com

Security Agent

Signed for and on behalf of **CAIN**)
INTERNATIONAL AGENT LIMITED:)
)
)

.....
Name: