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

*insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

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

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number



06992513

Name of company

* Sovereign Housing Capital Plc (the "Issuer")

Date of creation of the charge

10th September, 2009

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

Bond Trust Deed dated 10th September, 2009 (the "Bond Trust Deed") between
the Issuer and Prudential Trustee Company Limited (the "Bond Trustee").

Amount secured by the mortgage or charge

All moneys and other liabilities payable or owing (whether present, future,
contingent or prospective) by the Issuer under the Bond Trust Deed and the
other Transaction Documents (as defined below) (the "Secured Obligations").

Please see addendum 2.

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

Prudential Trustee Company Limited, Laurence Pountney Hill, London (as
trustee for itself, the Bondholders (as defined below) and the Secured
Parties (as defined below)). Please see addendum 3.

Postcode EC4R 0HH

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

Allen & Overy LLP
One Bishops Square
London
E1 6AD

Ref: GWF/EAC/9132352

Time critical reference

For official Use (02/06)

Mortgage Section

Post room

FRIDAY



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A40

18/09/2009

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COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

The Issuer has with full title guarantee for the payment or discharge of the Secured Obligations:

(a) assigned absolutely by way of security in favour of the Bond Trustee for itself and the Bondholders and as trustee for the other Secured Parties, all of the Issuer's rights, title and interest arising under the Loan Agreement, the Security Trust Deed, the Security Agreements (as defined below), the Agency Agreement, the Custody Agreement and the Account Agreement, in each case to the extent they relate to the Bonds;

(b) charged by way of first fixed charge in favour of the Bond Trustee for itself and the Bondholders and as trustee for the other Secured Parties, all moneys and/or securities from time to time standing to the credit of the Transaction Account, the Disposal Proceeds Account, the Initial Cash Security Account and the Custody Accounts (each as defined below) and all debts represented thereby; and 495

(c) charged by way of first fixed charge in favour of the Bond Trustee for itself and the Bondholders and as trustee for the other Secured Parties, all sums held from time to time by the Paying Agents for the payment of principal or interest in respect of the Bonds,

Please see addendum 4.

Please do not write in this margin

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

Particulars as to commission allowance or discount (note 3)

Nil

3

Signed

Allen Power

Date

17 September 2009

On behalf of ~~XXXXXXXXXXXXXXXXXXXX~~ [chargee] †

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

† delete as appropriate

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his:
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

Name of company

*Insert full name
of Company

* Sovereign Housing Capital Plc (the "Issuer")

Addendum 1/4

1. Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Addendum 2/4

2. Amount due or owing on the mortgage or charge (continued)

In this Form 395:

"Account Agreement" means the account agreement dated 10th September, 2009 and made between the Issuer, the Bond Trustee and the Account Bank, as amended and/or supplemented and/or restated from time to time.

"Account Bank" means The Bank of New York Mellon, London Branch as account bank pursuant to the Account Agreement or any successor account bank appointed thereunder.

"Agency Agreement" means the agency agreement dated 10th September, 2009 between the Issuer, the Bond Trustee and the Principal Paying Agent, as amended and/or supplemented and/or restated from time to time.

"Borrowers" means, at any time, the Original Borrower and any other members of SHG to which the Group Borrower shall have on-lent the proceeds of the Loan Agreement in accordance with the terms thereof.

"Custodian" means The Bank of New York Mellon, London Branch as custodian pursuant to the Custodian Agreement or any successor custodian appointed thereafter.

"Custody Agreement" means the custody agreement dated 10th September, 2009 and made between the Issuer, the Bond Trustee and the Custodian, as amended and/or supplemented and/or restated from time to time.

"Group Borrower" means Sovereign Advances Limited, as borrower under the Loan Agreement.

"Loan Agreement" means the bond loan agreement dated 10th September, 2009 between the Issuer, the Group Borrower and the Security Agent.

"Original Borrower" means Sovereign Housing Association Limited.

"Principal Paying Agent" means The Bank of New York Mellon as principal paying agent pursuant to the Agency Agreement or any successor principal paying agent thereunder.

"Security Agent" means Prudential Trustee Company Limited as security agent under the Security Trust Deed for, *inter alios*, the Issuer.

"Security Trust Deed" means the security trust deed dated 10th September, 2009, between *inter alios*, the Group Borrower, the Borrowers and the Security Agent (as amended from time to time).

"SHG" means the Group Borrower, the Original Borrower and any other present or future, direct or indirect, subsidiaries of The Sovereign Housing Group Limited (which includes, for the avoidance of doubt, any entity with which The Sovereign Housing Group Limited may merge or be consolidated with at any time).

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"Transaction Documents" means the Loan Agreement, the Bond Trust Deed, the Security Trust Deed, the Agency Agreement, the Account Agreement and the Custody Agreement.

Addendum 3/4

3. Names, addresses and descriptions of the mortgages or persons entitled to the charge (continued)

In this form 395:

"Bondholders" means the several persons who are for the time being holders of the Bonds save that, for so long as such Bonds or any part thereof are represented by a Global Bond deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg or, in respect of Bonds in definitive form held in an account with Euroclear or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an accountholder of Euroclear, and Euroclear, if Euroclear shall be an accountholder of Clearstream, Luxembourg) as the holder of a particular principal amount of the Bonds shall be deemed to be the holder of such principal amount of such Bonds (and the holder of the relevant Global Bond shall be deemed not to be the holder) for all purposes of these presents other than with respect to the payment of principal or interest on such principal amount of such Bonds, the rights to which shall be vested, as against the Issuer and the Bond Trustee, solely in such common safekeeper and for which purpose such common safekeeper shall be deemed to be the holder of such principal amount of such Bonds in accordance with and subject to its terms and the provisions of the Bond Trust Deed.

"Bonds" means the bonds in bearer form comprising the £175,000,000 5.705 per cent. Secured Bonds due 2039 of the Issuer constituted by the Bond Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes any replacements for Bonds issued pursuant to Condition 13 and (except for the purposes of Clause 3 of the Bond Trust Deed) the Temporary Global Bond and the Permanent Global Bond.

"Clearstream, Luxembourg" means Clearstream Banking, société anonyme.

"Conditions" means the conditions in the form set out in Schedule 2 of the Bond Trust Deed which may from time to time be modified in accordance with the Bond Trust Deed.

"Euroclear" means Euroclear Bank S.A./N.V.

"Global Bond" means the Temporary Global Bond and/or the Permanent Global Bond, as the context may require.

"Paying Agents" means the several institutions (including where the context permits the Principal Paying Agent) at their respective specified offices initially appointed as paying agents in relation to the Bonds by the Issuer pursuant to the Agency Agreement and/or, if applicable, any Successor paying agents in relation to the Bonds.

"Permanent Global Bond" means the permanent global bond in respect of the Bonds issued pursuant to Clause 3.3 of the Bond Trust Deed in the form or substantially in the form set out in Schedule 1 of the Bond Trust Deed.

"Secured Parties" means the Bond Trustee (for itself and on behalf of the Bondholders), the Principal Paying Agent, the other Paying Agents, the Account Bank and the Custodian.

"Successor" means, in relation to the Principal Paying Agent and the other Paying Agents,

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any successor to any one or more of them in relation to the Bonds which shall become such pursuant to the provisions of the Bond Trust Deed and/or the Agency Agreement (as the case may be) and/or such other or further principal paying agent and/or paying agents (as the case may be) in relation to the Bonds as may (with the prior approval of, and on terms previously approved by, the Bond Trustee in writing) from time to time be appointed as such, and/or, if applicable, such other or further specified offices (in the former case being within the same place as those for which they are substituted) as may from time to time be nominated, in each case by the Issuer, and (except in the case of the initial appointments and specified offices made under and specified in the Conditions and/or the Agency Agreement, as the case may be) notice of whose appointment or, as the case may be, nomination has been given to the Bondholders pursuant to subclause 14.1(k) of the Bond Trust Deed in accordance with Condition 15 (Notices).

"Temporary Global Bond" means the temporary global bond in respect of the Bonds issued pursuant to Clause 3.1 of the Bond Trust Deed in the form or substantially in the form set out in Schedule 1 of the Bond Trust Deed.

Addendum 4/4

4. Short particulars of all the property mortgaged or charged (continued)

in each case on terms that the Bond Trustee shall hold the proceeds of such security for itself and on trust for the Bondholders and the Secured Parties, subject to the provisions of, and the order of priority provided in, Clause 10 of the Bond Trust Deed.

The Issuer has covenanted that, so long as any of the Bonds remain outstanding, it shall not create or permit to subsist over any of the security constituted by or created pursuant to the Bond Trust Deed any mortgage or charge or any other security interest ranking in priority to, or *pari passu* with, the security created by or pursuant to the Bond Trust Deed.

In this Form 395:

"Custody Accounts" means the account of the Issuer set up with the Custodian in respect of the Permitted Investments in accordance with the Custody Agreement.

"Disposal Proceeds Account" means the account of the Issuer set up with the Account Bank in respect of the charged disposal proceeds in accordance with the Account Agreement.

"Initial Cash Security Account" means the account of the Issuer set up with the Account Bank in respect of the Retained Proceeds in accordance with the Account Agreement.

"Original Borrower Security Agreement" means the security agreement dated 10th September, 2009 between, *inter alios*, the Group Borrower and the Original Borrower pursuant to which the Original Borrower, *inter alia*, provides security and guarantees the obligations of the Group Borrower to the Issuer under the Loan Agreement.

"Permitted Investments" means UK Government Gilts (a) the value of principal on redemption of which is not linked to the United Kingdom General Index of Retail Prices (or other replacement index) and (b) the maturity of which is no later than 7th December 2038.

"Retained Proceeds" means an amount of the net issue proceeds of the Bonds which is not advanced to the Group Borrower pursuant to the Loan Agreement on 10th September, 2009.

"Security Agreements" means the Original Borrower Security Agreement and any security agreement entered into between, *inter alios*, the Group Borrower and a Borrower substantially

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in the form set out in the Security Trust Deed pursuant to which such Borrower, *inter alia*, provides security and guarantees the obligations of the Group Borrower to the Issuer under the Loan Agreement.

"Transaction Account" means the account of the Issuer set up with the Account Bank in respect of the Bonds in accordance with the Account Agreement.

"UK Government Gilt" means sterling denominated gilts or stock issued by or on behalf of Her Majesty's Treasury.



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

**COMPANY NO. 6992513
CHARGE NO. 1**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A BOND TRUST DEED DATED 10
SEPTEMBER 2009 AND CREATED BY SOVEREIGN HOUSING
CAPITAL PLC FOR SECURING ALL MONIES DUE OR TO
BECOME DUE FROM THE COMPANY UNDER THE TERMS OF
THE AFOREMENTIONED INSTRUMENT CREATING OR
EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO
CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 18
SEPTEMBER 2009

GIVEN AT COMPANIES HOUSE, CARDIFF THE 21 SEPTEMBER
2009

D. Sel.



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES