



Registration of a Charge

Company Name: **FUNDING AFFORDABLE HOMES HOUSING ASSOCIATION LIMITED**

Company Number: **09353468**



XC8ZIOB5

Received for filing in Electronic Format on the: **01/08/2023**

Details of Charge

Date of creation: **28/07/2023**

Charge code: **0935 3468 0017**

Persons entitled: **THE LAW DEBENTURE TRUST CORPORATION P.L.C.**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **OSBORNE CLARKE LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9353468

Charge code: 0935 3468 0017

The Registrar of Companies for England and Wales hereby certifies that a charge dated 28th July 2023 and created by FUNDING AFFORDABLE HOMES HOUSING ASSOCIATION LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st August 2023 .

Given at Companies House, Cardiff on 1st August 2023

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**



Dated this 31 July 2023

Signed *Osborne Clarke LLP*

Osborne Clarke LLP
One London Wall
London
EC2Y 5EB

Dated 28 July 2023

THE LAW DEBENTURE TRUST CORPORATION P.L.C.
as Security Trustee

FUNDING AFFORDABLE HOMES HOUSING ASSOCIATION LIMITED
as Borrower

DEUTSCHE BANK AG
as Purchaser

SECURITY TRUST DEED

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This Security Trust Deed is made on 28 July 2023

Between

- (1) **The Law Debenture Trust Corporation p.l.c.** (company number 1675231), whose registered office is at 100 Bishopsgate, London EC2N 4AG, as security trustee for the Beneficiaries (the **Security Trustee**);
- (2) **Funding Affordable Homes Housing Association Limited**, a private company limited by guarantee incorporated and registered in England and Wales (with company number 09353468) and registered as a Registered Provider with the Regulator (with registered number 4829), whose registered office is at 73 Cornhill, London EC3V 3QQ (**FAHHA**); and
- (3) **Deutsche Bank AG** in its capacity as Purchaser (as defined in the Note Purchase Agreement) (the **Purchaser**).

Whereas

- (A) By a note purchase agreement between, amongst others, FAHHA and the Purchaser dated on or about the date of this Deed (as from time to time amended, novated, replaced, restated, supplemented or varied) (the **Note Purchase Agreement**), FAHHA issued £30,301,523 Senior Inflation-Linked Secured Guaranteed Amortising Notes due 2043 (the **Notes**) to the Purchaser on the terms set out in that document.
- (B) FAHHA may enter into further financial or hedging arrangements in the future and it is intended that this Deed may govern the security provided by FAHHA in relation to such arrangements.
- (C) The parties hereto have therefore entered into this Deed in order to regulate the rights of priority and of enforcement in respect of the rights of the Beneficiaries in relation to the Security Assets under or pursuant to the Relevant Documents.
- (D) It is intended by the parties hereto that this document shall take effect as a deed notwithstanding that any party has executed it under hand or has otherwise failed to fulfil the requisite formalities for execution as a deed.

It is agreed

1 Interpretation

1.1 Definitions

In this Deed:

Accession Date means the date of the relevant Accession Deed (or such other date as may be stated in the relevant Accession Deed and agreed by the parties thereto as the date on which that Accession Deed is to take effect subject to and in accordance with Clause 2 (*Relevant Liabilities*)).

Accession Deed means each deed entered into pursuant to Clause 2.3 (*Relevant Liabilities*), Clause 2.7 (*Relevant Liabilities*) or Clause 2.8 (*Relevant Liabilities*) substantially in the form set out in Schedule 1 (*Form of Accession Deed*).

Additional Beneficiary means any person which becomes a Beneficiary pursuant to the provisions of Clause 2 (*Relevant Liabilities*).

Additional Liabilities means all present and future monies, obligations and liabilities (whether actual or contingent and whether sole or joint) payable, owing, due or incurred by FAHHA to any Additional Beneficiary under or in connection with any of the Relevant Documents.

Ancillary Documents means the valuations, reports, opinions, certificates of title or other certificates to be delivered pursuant to the terms of this Deed held by the Security Trustee and/or any Beneficiary in respect of any of the Fixed Security Assets.

Approved Tenancy Agreement has the meaning given to it in each Legal Mortgage.

Authorised Signatory means any of the officers of FAHHA who are authorised to sign certificates or other documents required under or in connection with any Security Document.

Beneficiaries means, subject to Clause 2.6 (*Relevant Liabilities*):

- (a) the Security Trustee;
- (b) (subject to Clause 2.7 (*Relevant Liabilities*)) in respect of the Note Purchase Agreement, the Purchaser; and
- (c) each Additional Beneficiary,

and in each case their respective successors and permitted assigns and transferees from time to time (each a **Beneficiary**).

Business Day means a day (other than a Saturday or Sunday or a public holiday in England) on which banks and building societies are open for general business in London.

Certificate of Title means a certificate of title in a form acceptable to the Security Trustee and (where the relevant Property is to become Designated Security) to the proposed Relevant Beneficiary.

Charge includes mortgage and assignment by way of security and vice versa.

Commitment means, in relation to any borrowing or other debt obligation (including under any hedging documentation entered into with a Beneficiary), either (as applicable):

- (a) the aggregate of the principal amount which is (or, as the case may be, was immediately prior to any Enforcement Event or Potential Enforcement Event) outstanding from FAHHA and available for drawing by FAHHA (in relation to any such obligation under a loan agreement); or
- (b) the aggregate mark to market exposure under any hedging documentation entered into with a Beneficiary which is (or, as the case may be, was immediately prior to any Enforcement Event or Potential Enforcement Event) outstanding from FAHHA (in relation to any such obligation under any such hedging documentation).

Designated Properties Schedule means, at any time, the schedule referred to in Clause 3.1 (*Designation of fixed security*) that is in effect at such time.

Designated Security means, in relation to any Beneficiary or group of Beneficiaries (individually and collectively, a **Relevant Beneficiary**), any Properties and other Fixed Security Assets the Proceeds of which are allocated for application in reduction of the Relevant Liabilities of that Relevant Beneficiary in accordance with Clauses 2.3(e) (*Relevant Liabilities*) and 3.1 (*Designation of fixed security*).

Enforcement Event means any event, howsoever described, specified in a Relevant Document as an event upon the occurrence of which the Beneficiary or group of Beneficiaries (or any Representative thereof) to whom such Relevant Document relates becomes entitled:

- (a) to call for early repayment of all or any of the Relevant Liabilities under such Relevant Documents; and/or
- (b) to call for cash collateral in respect of all or any contingent Relevant Liabilities under such Relevant Documents (but shall not include any Beneficiary becoming entitled to call for the delivery of cash pursuant to an ISDA credit support annex unless FAHHA fails to make payment thereof when so demanded); and/or
- (c) to terminate all or any of the transactions entered into pursuant to such Relevant Document (but excluding any interest rate arrangement entered into by a Beneficiary to which FAHHA is not a party unless that Beneficiary becomes entitled to terminate the same as a consequence of a default (howsoever described) by FAHHA under the terms of the Relevant Document prior to the scheduled maturity thereof); and/or
- (d) to instruct the Security Trustee to enforce any of the Security Interests created pursuant to the Security Documents constituting the applicable Beneficiary's Designated Security.

Fixed Security Assets means all assets, rights and property of FAHHA mortgaged, charged or assigned pursuant to any Security Document (other than solely pursuant to the Floating Charge) and the Rights thereto.

Floating Charge means the floating charge created by FAHHA pursuant to the Legal Mortgage entered into on or around the date of this Deed.

Greater London Authority means the Greater London Authority as constituted pursuant to Part I of the Greater London Authority Act 1999.

Homes England means the Homes and Communities Agency constituted pursuant to Part 1 of the Housing and Regeneration Act trading as Homes England and any successor for the time being or any similar future authority carrying on any of the same grant/investment making functions (which for the purposes of this definition does not include the functions of the Social Housing Regulator), and where the context so requires, reference to Homes England shall include reference to the Greater London Authority (as applicable).

Housing and Regeneration Act means the Housing and Regeneration Act 2008 (as amended by the Localism Act 2011 and the Housing and Planning Act 2016).

Housing Associations Act means the Housing Associations Act 1985.

Legal Mortgage means a deed incorporating, *inter alia*, a Charge by way of first legal mortgage in, or substantially in, the form of Schedule 4 (*Form of Legal Mortgage*) with such amendments as the Security Trustee may require (acting, as applicable, on the instructions of the relevant Representative) in order that the Charge should be valid, effective and enforceable.

List means, in relation to the Designated Properties Schedule at any time, each of the lists of Properties as set out in such Designated Properties Schedule as designated by FAHHA in relation to a Beneficiary's Relevant Liabilities.

NPA Liabilities means all present and future monies, obligations and liabilities (whether actual or contingent and whether sole or joint) payable, owing, due or incurred by FAHHA to the Noteholders under or in connection with any of the NPA Finance Documents or any of the Security Documents and Ancillary Documents in respect of their Designated Security.

NPA Finance Documents means the Financing Agreements as defined in the Note Purchase Agreement (and each an **NPA Finance Document**).

NPA Finance Parties means the Noteholders, the Calculation Agent and the Noteholder Representative (if any) but excluding the Security Trustee (and each an **NPA Finance Party**).

Party means a party to this Deed including, for the avoidance of doubt, any Additional Beneficiary and any successor or permitted transferee or assignee (whether immediate or derivative) of any such party.

Potential Enforcement Event means any event which with the giving of notice, passage of time, the making of any certification and/or declaration and/or demand and/or determination or the fulfilment of any other applicable condition or any combination of the foregoing will constitute an Enforcement Event.

Proceeds means the aggregate of all receipts or recoveries by the Security Trustee pursuant to, or upon enforcement of, any of the Rights after deducting (to the extent not already deducted or retained prior to such receipt or recovery by the Security Trustee) all sums which the Security Trustee is required under the terms of the Relevant Documents or by applicable law to pay to any other person before allocating such proceeds to its own costs and distributing any such receipts or recoveries to any of the Beneficiaries in accordance with the terms of this Deed.

Properties means all estates or interests of FAHHA in any freehold or leasehold property (wherever situate now or in the future legally or beneficially owned by it and all buildings, fixtures, fittings (other than tenants' fixtures and fittings) and fixed plant and machinery from time to time thereon, which is the subject of a Legal Mortgage (other than solely pursuant to the Floating Charge) and complies with any requirements of the Relevant Documents, and reference to **Property** or **property** shall be taken to include references to the whole or any part or parts of any such property comprised therein at any time.

Registered Provider means a "registered provider of social housing" as such term is defined in the Housing and Regeneration Act.

Regulation means and includes any regulation, rule, official directive, code of practice, request or guideline (whether or not having the force of law but if not having the force of law being of a kind that is customary for the relevant person (or persons of its status or type carrying on a similar business) to comply with) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation.

Regulatory Framework means the regulatory requirements, codes of practice and regulatory guidance described in the publication entitled "*What is the regulatory framework?*" published by the Homes and Communities Agency on 1 April 2015, as such regulatory requirements, codes of practice and/or regulatory guidance may be amended, supplemented, varied or replaced from time to time.

Relevant Beneficiary has the meaning given to it in the definition of Designated Security.

Relevant Documents means:

- (a) in relation to the NPA Finance Parties, the NPA Finance Documents and any Security Documents and Ancillary Documents in respect of their Designated Security; and
- (b) in relation to each Additional Beneficiary or group of Additional Beneficiaries, each agreement or other instrument between FAHHA and such Additional Beneficiary or, as the case may be, group of Additional Beneficiaries specified as a Relevant Document in any Accession Deed executed by that Additional Beneficiary or, as the case may be, those Additional Beneficiaries (or its their Representative) and any Security Documents and Ancillary Documents in respect of its Designated Security,

and each is a **Relevant Document**.

Relevant Liabilities means, in relation to any Beneficiary or group of Beneficiaries, all present and future monies, obligations and liabilities (whether actual or contingent and whether sole or joint) payable, owing, due or incurred by FAHHA to that Beneficiary or group of Beneficiaries under or in connection with any of the Relevant Documents.

Relevant Proportion means, in respect of any Designated Security or, as the case may be, Relevant Beneficiary:

$$\frac{A}{B}$$

where:

A is the total Commitments in respect of the Relevant Beneficiary; and

B is the total Commitments in respect of all Beneficiaries.

Relevant Trustee Costs means, in relation to a Relevant Beneficiary:

- (a) in respect of any Designated Security all Trustee Costs which relate exclusively to the Designated Security of that Relevant Beneficiary;
- (b) all amounts due to the Security Trustee from the Relevant Beneficiary under Clause 8.4 (*Indemnities*); and
- (c) the Relevant Beneficiary's Relevant Proportion of all amounts due and payable under Clause 9 (*Remuneration of the Security Trustee*) but which remain unpaid.

Representative means:

- (a) in relation to the Noteholders, the Purchaser or any sole Noteholder or Noteholder Representative (as defined in the Note Purchase Agreement) appointed as such; and
- (b) in relation to each Additional Beneficiary or group of Additional Beneficiaries at any time after the Accession Date of such Additional Beneficiary or Additional Beneficiaries whilst there are any Additional Liabilities outstanding under the Relevant Documents to which that Additional Beneficiary or those Additional Beneficiaries are party, the entity designated in the relevant Accession Deed as the Representative in relation to that Additional Beneficiary or those Additional Beneficiaries (as applicable).

Residential Unit means a unit of residential accommodation forming all or part of a Property.

Rights means all rights vested in the Security Trustee by virtue of, or pursuant to, its holding the interests conferred on it by the Security Documents or under the Ancillary Documents and all rights to make demands, bring proceedings or take any other action in respect thereof.

Right to Buy means the right of a tenant of any Property to buy or acquire a Residential Unit forming part or all thereof from FAHHA under:

- (a) section 180 of the Housing and Regeneration Act;
- (b) Part V of the Housing Act 1985;
- (c) where a grant is provided to FAHHA in respect of such a sale under section 35(1) of the Housing and Regeneration Act;
- (d) any other legislation conferring similar rights to buy or acquire to tenants of Registered Providers with which FAHHA is obliged to comply;
- (e) a contractual arrangement between FAHHA and the tenant in respect of a Property which is developed as a "Rent to Buy" Property as such term is used in chapter 2 (Rent to Buy) of the Capital Funding Guide, provided that FAHHA has not converted such Property to rented housing on an affordable rent basis in compliance with the terms of the Capital Funding Guide such that the Rent to Buy conditions no longer apply to the Property; or
- (f) any other contract or voluntary arrangement agreed between FAHHA and the Security Trustee (acting, as applicable, on the instructions of the relevant Representative) from time to time,

and including, without limitation, such rights preserved notwithstanding any previous transfer of such Property from any local authority.

Secured Obligations means the aggregate of:

- (a) the Relevant Liabilities owing to each and all of the Beneficiaries;
- (b) to the extent not covered by (a), all indemnification and reimbursement obligations of FAHHA under any of the Relevant Documents to each and all of the Beneficiaries; and
- (c) to the extent not covered by (a) and (b), all other amounts payable by FAHHA to the Security Trustee, any nominee, delegate, co-trustee or agent thereof or any receiver under any of the Relevant Documents.

Security Assets means all assets, rights and property of FAHHA mortgaged, charged or assigned pursuant to any Security Document and the Rights.

Security Certificate means a certificate issued by the Security Trustee in favour of a Representative for itself as Representative and on behalf of the relevant Beneficiaries in the form set out in Schedule 3 (*Form of Security Certificate*).

Security Documents means:

- (a) each Legal Mortgage entered into between FAHHA and the Security Trustee;
- (b) this Deed;

- (c) any other document specified as such:
 - (i) in relation to any Undesignated Security, by FAHHA and the Security Trustee;
 - (ii) in relation to any Designated Security, by FAHHA, the Security Trustee and the relevant Representative;
 - (iii) in relation to the Floating Charge, by FAHHA, the Security Trustee and the Representatives of Beneficiaries representing in excess of 66.66% in nominal or principal amount of all outstanding Relevant Liabilities of Beneficiaries; and
- (d) any other document supplementing or amending a document which, in accordance with paragraphs (a) to (c) above, is a Security Document.

Security Interest means any mortgage, pledge, lien, charge (including, for the avoidance of doubt, a floating charge), security assignment, hypothecation or other security interest or encumbrance of any kind or any other agreement or arrangement having the effect of conferring security or any other type of preferential arrangement (including, without limitation title transfer and retention of title) having a similar effect.

Security Register means the register maintained under Clause 3.9 (*Security Register*).

Shared Ownership Lease means a shared ownership lease as defined in section 106 of the Housing Associations Act, where the terms of any such lease:

- (a) are imposed by statute;
- (b) comply with the requirements of Homes England, the Greater London Authority, the Regulatory Framework and/or any other guidance issued by the Social Housing Regulator (in each case, where applicable); or
- (c) have been approved by the Relevant Beneficiary (or, in respect of Undesignated Security only, approved by the Security Trustee) including, in particular, any mortgagee protection provisions proposed to be inserted in any such lease.

Shared Ownership Property means any Residential Unit occupied or to be occupied pursuant to a Shared Ownership Lease where FAHHA holds, or will hold upon disposal on shared ownership terms by the grant of the Shared Ownership Lease, less than 100% of the beneficial interest in that Residential Unit and the purchaser of the balance of that beneficial interest may have the right to acquire a further portion of FAHHA's retained beneficial interest.

Shared Ownership Sale means a disposal (excluding the grant of the original Shared Ownership Lease) of part or all of FAHHA's beneficial interest in any Shared Ownership Property pursuant to the shared ownership terms applying to that Shared Ownership Property.

Social Housing Regulator means the Regulator of Social Housing established by the Legislative Reform (Regulator of Social Housing) (England) Order 2018 and any successor or successors for the time being or in each case any similar future authority carrying on any of the same regulatory/supervisory functions as the regulator of social housing in England.

Taxes includes all present and future taxes, charges, imposts, duties, levies, deductions, withholdings or fees of any kind whatsoever, or any amount payable on account of or as security for any of the foregoing, by whomsoever, on whomsoever and wherever imposed, levied,

collected, withheld or assessed, together with any penalties, additions, fines, surcharges or interest relating thereto, and **Tax** and **Taxation** shall be construed accordingly.

this Deed means this Deed and includes each Accession Deed and any deed or other document executed in accordance with the provisions hereof (as from time to time modified in accordance herewith) and expressed to be supplemental hereto.

Trustee Acts means the Trustee Act 1925 and the Trustee Act 2000.

Trustee Costs means all remuneration, costs, expenses and liabilities (including, without limitation, indemnity liabilities) referred to in Clause 9 (*Remuneration of the Security Trustee*) and all remuneration, costs, expenses and liabilities (including, without limitation, indemnity liabilities) payable under any Security Document for which FAHHA is liable.

Trust Property means the Security Interests constituted by the Security Documents, the Rights and the Proceeds.

Undesignated Security means any Fixed Security Assets (together with any Rights and Proceeds) which are not, or do not relate to, Designated Security at such time.

VAT means value added tax as provided for in the Value Added Tax Act 1994 or any similar tax which may be imposed in addition to or in place thereof from time to time.

- 1.2 In this Deed (save to the extent that the context otherwise requires) reference to any agreement, contract, deed or other document (including this Deed and any Relevant Document) or to any provision thereof shall be construed as including any amendment, novation, restatement, replacement, supplement or variation thereof from time to time and reference to any provision of a law is a reference to that provision as amended or re-enacted and to any Regulation made under it.
- 1.3 References herein to each **Beneficiary**, the **Purchaser**, any **Noteholder**, any **Representative** or the **Security Trustee** shall be construed so as to include its and any subsequent successors, transferees and assigns (whether immediate or derivative) in accordance with their respective interests. References herein to **FAHHA** shall be construed so as to include its and any subsequent permitted successors, permitted transferees and permitted assigns in accordance with its interests.
- 1.4 Any provisions herein relating to Additional Beneficiaries or Additional Liabilities shall only be applicable after the first Accession Date and the parties hereto may, until the first Accession Date, exercise their rights and perform their obligations as if this Deed made no reference to Additional Beneficiaries and Additional Liabilities.
- 1.5 **Administration** shall be construed as a reference to any type of administration (including but not limited to housing administration) and **administrator** shall be construed accordingly.
- 1.6 References herein to a **person** shall be construed as a reference to any person, firm, company, body corporate, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing.
- 1.7 For the purposes of this Deed:
 - (a) subject to the Security Trustee having received express written notice to the contrary, the Security Trustee shall not concern itself whether any Representative is entitled

(under the terms of any Relevant Document) to give any request or instruction to the Security Trustee;

- (b) if any Representative, in issuing any request or instruction, breaches any rights or restrictions set out in any Relevant Document, this shall not invalidate the request or instruction unless the relevant Representative notifies the Security Trustee in writing in relation to a request or instruction made or given by it before the Security Trustee commences to act on such request or instruction that such request or instruction was invalid and should not be acted on. If the Security Trustee is so notified after it has commenced to act on a request or instruction, the validity of any action taken prior to such notification shall not be affected but the Security Trustee shall take no further action in accordance with such request or instruction, except to the extent that it has become legally obliged to do so;
- (c) except where expressly permitted under a Relevant Document, only the relevant Representative shall, in accordance with the terms of the applicable Relevant Documents and this Deed, be entitled to make requests or give instructions to the Security Trustee in respect of the Relevant Documents, the Relevant Liabilities and the Designated Security and no other party to such documents nor FAHHA shall have any rights to do so or otherwise to request the Security Trustee to take any action or proceedings under or in relation to any Relevant Document;
- (d) in relation to each separate pool of Designated Security attributed to the Relevant Liabilities owed to a Beneficiary or group of Beneficiaries, the Security Trustee shall act in accordance with the requests and instructions of the relevant Representative of that Beneficiary or group of Beneficiaries. For the avoidance of doubt, only the Representative of that Relevant Beneficiary shall issue instructions to, and make requests of, the Security Trustee in relation to the Designated Security attributed to those Relevant Liabilities;
- (e) in relation to the Floating Charge, subject to Clause 6.2(c)(i) (*Default procedure*), the Security Trustee shall act in accordance with the requests and instructions of the Representatives of all the Beneficiaries (or, to the extent that such joint instructions cannot be agreed, the joint written instructions of the Representatives of Beneficiaries representing in excess of 66.66% in nominal or principal amount of all outstanding Relevant Liabilities of Beneficiaries);
- (f) in relation to the Undesignated Security (if any), the Security Trustee shall act:
 - (i) following the occurrence of an Enforcement Event or a Potential Enforcement Event, in each case which is continuing:
 - (A) if it is the only Beneficiary, on its own account; or
 - (B) if it is not the only Beneficiary, in accordance with the requests and instructions of the Representatives of Beneficiaries:
 - 1) whose Relevant Liabilities are not or will not be satisfied in full following the application of Proceeds of the Designated Security attributed to such Relevant Liabilities under Clause 7.2 (*Application of Proceeds*); and
 - 2) representing in excess of 66.66% in nominal or principal amount of all outstanding Relevant Liabilities of Beneficiaries

whose Relevant Liabilities are not or will not be satisfied in full following the application of Proceeds of the Designated Security attributed to such Relevant Liabilities under Clause 7.2 (*Application of Proceeds*).

For the avoidance of doubt, only the Representative of that Beneficiary or group of Beneficiaries shall issue instructions to, and make requests of, the Security Trustee in relation to the Undesignated Security; and

- (ii) prior to the occurrence of an Enforcement Event or a Potential Enforcement Event (or thereafter if such Enforcement Event or Potential Enforcement Event is no longer continuing) and subject to Clause 3.5 (*Release of security*), in accordance with the requests and instructions of FAHHA who shall issue instructions to and make requests of the Security Trustee only in relation to the Security Assets within the Undesignated Security; and
- (g) reference to exercise of any right by a Representative will include reference to such exercise by the Representative either on its own account or on behalf or on the instruction of any persons for which it acts as Representative,

provided that nothing in this Clause 1.7 shall prevent FAHHA from requesting consents or approvals in relation to any Designated Security where required under any Security Document.

- 1.8 If the Security Trustee considers (acting reasonably) that an amount paid to the Security Trustee or any Beneficiary for application in or towards repayment of the Secured Obligations is capable of being avoided or otherwise set aside on the liquidation or administration of FAHHA or otherwise, then such amount shall not be considered to have been irrevocably paid for the purposes of the Security Documents.
- 1.9 A certificate of the Security Trustee setting forth the amount of any Secured Obligation due from FAHHA shall be prima facie evidence of such amount against FAHHA in the absence of manifest error. The Security Trustee shall, for the purpose of certifying the amount of any such Secured Obligation due from FAHHA, be able to rely on any information provided to it by FAHHA, any Beneficiary and/or any Representative without any liability on the part of the Security Trustee.
- 1.10 Clauses 7 (*Application of Proceeds*) and 8 (*Activities of the Security Trustee*) of this Deed are deemed to form part of each Legal Mortgage as if expressly incorporated into it and as if all references in such clauses to this Deed were a reference to such Legal Mortgage.
- 1.11 A person who is not a party to this Deed (other than a Beneficiary) has no right under the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce any terms of this Deed.
- 1.12 The index to and the headings in this Deed are for convenience only and are to be ignored in construing this Deed.
- 1.13 Unless a contrary intention appears, a term used in any other Security Document or in any notice given under or in connection with any Security Document has the same meaning in that Security Document or notice as in this Deed.
- 1.14 In this Deed, unless the contrary intention appears, a reference to **continuing** in relation to an Enforcement Event, Potential Enforcement Event or other event or occurrence, shall be construed as a reference to an Enforcement Event, Potential Enforcement Event or other event

or occurrence (as applicable) which has occurred which has not been remedied or waived in accordance with the terms hereof or of the Relevant Document (as applicable).

1.15 In this Deed, unless the contrary intention appears, a reference to the Greater London Authority, Homes England or the Social Housing Regulator shall be construed, unless the context otherwise requires, as appropriate, as a reference to any predecessor of the Greater London Authority, Homes England or the Social Housing Regulator (as applicable), including but not limited to The Housing Corporation, the Tenant Services Authority, the Homes and Communities Agency and/or the Regulation Committee established by the Homes and Communities Agency pursuant to Part 2 of the Housing and Regeneration Act (as applicable).

1.16 All references in this Deed involving compliance by the Security Trustee with a test of reasonableness shall be deemed to include a reference to a requirement that such reasonableness shall be determined by reference to the interests of the Beneficiaries only.

2 Relevant Liabilities

2.1 All monies and liabilities now or at any time hereafter due, owing or incurred by FAHHA in respect of:

- (a) the NPA Liabilities; and
- (b) subject to Clauses 2.2, 2.3 and 2.8, the Additional Liabilities,

shall be Relevant Liabilities.

2.2 If FAHHA wishes any person to become a Beneficiary under this Deed, FAHHA shall notify the Security Trustee that such person is to become a Beneficiary hereunder. Each Beneficiary:

- (a) shall be a sole lender or funder to FAHHA (including, without limitation, by way of a loan or a loan stock, bond (including, for the avoidance of doubt, any note purchase agreement), note or other debt issue or security however so described);
- (b) shall be a hedging counterparty with FAHHA; or
- (c) shall act through a Representative where a loan or funding is made, or is capable of being made, by more than one lender or funder (including, without limitation, by way of a syndicated loan or a loan stock, bond (including, for the avoidance of doubt, any note purchase agreement), note or other debt issue or security howsoever described).

For the avoidance of doubt, where a Beneficiary is also a Representative, it will act in accordance with the request and instructions of the Beneficiaries for whom it is acting as Representative and in accordance with the terms of the Relevant Documents. Where more than one Beneficiary acts through a Representative, any discretions, decisions or actions to be undertaken pursuant to this Deed or any Security Document by a Beneficiary shall be undertaken by such Representative on behalf of the relevant Beneficiaries and the term "Beneficiary" shall be construed accordingly. No person may become a Beneficiary unless that person or its Representative is either an original party hereto or has entered into an Accession Deed and Relevant Documents recording the terms of the Relevant Liabilities. A new lender (howsoever defined) pursuant to a syndicable or syndicated loan agreement or a new noteholder (howsoever defined) pursuant to a note purchase agreement which is a Relevant Document shall automatically become a Beneficiary without further formality or requirement for an Accession Deed upon it becoming a new lender or new noteholder in accordance with the terms of the applicable Relevant Document (subject, in the case of a transfer to a new sole

lender or sole noteholder, to the accession of the same or another entity as Representative where the outgoing lender or noteholder was previously acting as its own Representative).

- 2.3 No later than the relevant Accession Date, FAHHA and either the Representative in respect of each proposed Additional Beneficiary or the proposed Additional Beneficiary shall deliver to the Security Trustee:
- (a) an Accession Deed executed by FAHHA and each proposed Additional Beneficiary (or the Representative in respect of each proposed Additional Beneficiary);
 - (b) a copy of the Relevant Documents evidencing or regulating the Relevant Liabilities executed by FAHHA and each proposed Additional Beneficiary (or the Representative in respect of each proposed Additional Beneficiary);
 - (c) any Security Documents and Ancillary Documents which may be required under the Relevant Documents and the relevant Accession Deed;
 - (d) such documentation and other evidence as is requested by the Security Trustee in order to satisfy all 'know your customer'/anti-money laundering requirements of the Security Trustee; and
 - (e) (if any Properties are to be designated to such Additional Beneficiary at such time) a revised Designated Properties Schedule (completed in accordance with Clause 3.1 (*Designation of fixed security*)), incorporating details of the Properties and any other Security Assets the Proceeds of which are allocated for application in reduction of the Relevant Liabilities of the proposed Additional Beneficiary.
- 2.4 Subject to Clause 2.5 and Clause 3.2 (*Conditions precedent*), upon receipt by the Security Trustee of the duly completed and executed documents referred to in Clause 2.3, the Security Trustee shall execute the Accession Deed and issue a Security Certificate to the Representative of the Additional Beneficiary and FAHHA and shall also give notice thereof to the Representative of each existing Beneficiary (if any).
- 2.5 Each Beneficiary irrevocably instructs the Security Trustee to execute on its behalf each Accession Deed duly delivered to the Security Trustee under Clause 2.3, Clause 2.7 or Clause 2.8. It is hereby agreed by the parties hereto that any Accession Deed delivered pursuant to Clause 2.3, Clause 2.7 or Clause 2.8 shall, following its execution by the Security Trustee, take effect upon the Accession Date for that Accession Deed.
- 2.6 If FAHHA has irrevocably repaid all liabilities to any Beneficiary in respect of any Relevant Liabilities and such Beneficiary is not under a commitment to make any facility or financial accommodation available to FAHHA under the Relevant Documents, the relevant Representative and FAHHA shall notify the Security Trustee to that effect (who in turn shall promptly notify the Representatives of the remainder of the Beneficiaries) and such Beneficiary shall cease to be a Beneficiary under this Deed. In the event that any Property was Designated Security in respect of any person who has ceased to be a Beneficiary hereunder, such Property shall be designated as Undesignated Security until an amended Designated Properties Schedule is delivered pursuant to Clause 3.1(a).
- 2.7 In the event that the rights of any Beneficiary (the **Outgoing Beneficiary**) under the Relevant Documents pass to another person (the **Replacement Beneficiary**) (whether by sale, transfer, assignment, novation or replacement of a Representative or other agent or trustee or otherwise, but excluding any transfer, assignment or novation by a lender to a new lender or by a noteholder to a new noteholder (howsoever such terms are defined in and in accordance with

the applicable Relevant Document)) and the Outgoing Beneficiary does not have a Representative to act for it in respect of this Deed, then the Outgoing Beneficiary will procure that the Replacement Beneficiary executes an Accession Deed (with such modifications as the Security Trustee may agree) and, with effect from execution of such Accession Deed by the Security Trustee, the Security Trustee will recognise the Replacement Beneficiary as Beneficiary hereunder in place of (or, in the case of a partial sale, transfer, assignment, novation or replacement, in addition to) the Outgoing Beneficiary. The Security Trustee shall be under no obligation to ascertain or verify whether any requirements of the Relevant Documents in respect of the vesting of any rights or powers or functions in the Replacement Beneficiary or its Representative have been complied with.

- 2.8 Any Beneficiary or, as applicable, its Representative together with FAHHA may from time to time execute a further Accession Deed (with such modifications as the Security Trustee may agree) under which documents specified in that Accession Deed are declared to be Relevant Documents. Clauses 2.2 to 2.5 (inclusive) will apply in relation to such Accession Deed and such Relevant Liabilities.

3 The security

3.1 Designation of fixed security

- (a) Subject to Clause 3.2, on:
- (i) the date of this Deed (if applicable);
 - (ii) each Accession Date (if applicable);
 - (iii) each date on which the Security Trustee is notified that any person who had Designated Security has ceased to be a Beneficiary hereunder;
 - (iv) each date on which a Legal Mortgage is delivered to the Security Trustee in accordance with Clause 3.2(a); and
 - (v) each date on which Properties are to become Designated Security or (subject to Clause 3.1(b)) cease to be Designated Security as regards any Beneficiary,

in each case, each relevant Representative and FAHHA shall attribute, in relation to each Relevant Beneficiary's Relevant Liabilities, specific Properties together with related Rights in relation to those Properties (having regard to all the circumstances relating to such Properties including, *inter alia*, consideration of the results of any investigations or due diligence carried out with respect to such Properties and without designating any specific Property more than once) and any other relevant Security Assets and shall schedule and approve by their signature such designation of Properties and the related Rights in relation thereto and any other relevant Security Assets among the Relevant Beneficiaries (a **Designated Properties Schedule**) and shall deliver such Designated Properties Schedule to the Security Trustee.

- (b) In the event that any Property ceases to be Designated Security due to a disposal of that Property pursuant to the exercise of a Right to Buy or a Shared Ownership Sale in full, the relevant Representative and FAHHA shall deliver an amended Designated Properties Schedule to the Security Trustee to reflect that disposal on the earlier of:
- (i) the end of the calendar quarter falling after the date of this Deed in which the relevant disposal occurred; and

- (ii) the date on which a Designated Properties Schedule is delivered under any of Clauses 3.1(a)(ii) to 3.1(a)(v) (both inclusive),

and, in each case, such amended Designated Properties Schedule must include details of such disposal(s) pursuant to the exercise of a Right to Buy or a Shared Ownership Sale in full.

- (c) Each Representative and FAHHA shall review from time to time the Designated Properties Schedule following the release and/or substitution of any Property and shall, if required to do so pursuant to Clause 3.1(a), deliver to the Security Trustee an amended Designated Properties Schedule signed by FAHHA and each relevant Representative, which shall have been amended by either removing Designated Security from the Designated Properties Schedule (whereupon the same shall either become Undesignated Security capable of being redesignated or released in accordance with the terms of this Deed) or by designating any Undesignated Security as Designated Security.
- (d) The Designated Properties Schedule as amended pursuant to Clause 3.1(b) or Clause 3.1(c) shall not become binding on any Beneficiary unless and until it has been approved and signed by each relevant Representative, such approval and signature not to be unreasonably withheld or delayed. For the purposes of this Clause 3, a relevant Representative is both a Representative of a Beneficiary to whom such Property was designated immediately prior to the issue of the new Designated Properties Schedule and a Representative of a Beneficiary to whom such Property is to be designated under the new Designated Properties Schedule. In the absence of such approval and signature, the most recent Designated Properties Schedule so approved and signed shall continue to apply. For the avoidance of doubt, the withholding or delay of approval and signature by a Representative shall not be unreasonable if it is withheld or delayed pending completion of due diligence procedures satisfactory to any relevant Beneficiary or if the results of any such procedures are not satisfactory to the Representative (provided such due diligence procedures are themselves being carried out in good faith and without undue and unreasonable delay) but the withholding or delay of approval by one Beneficiary or Representative shall not affect the agreement of the Designated Properties Schedule in so far as it relates to any other Beneficiary.
- (e) FAHHA shall promptly deliver a copy of the amended Designated Properties Schedule to the Security Trustee at any time after amendments have been made thereto or otherwise on request of the Security Trustee.
- (f) On the date of this Deed and on each date on which an amended Designated Properties Schedule is delivered to the Security Trustee pursuant to Clause 3.1(a), the Security Trustee shall issue a Security Certificate in respect of the relevant Designated Security to each relevant Representative.
- (g) On each occasion when the Designated Properties Schedule is prepared or revised, FAHHA represents to the Security Trustee, each Representative and each Beneficiary under this Deed at that time that none of its Properties or other Security Assets are listed on more than one List of Designated Security.

3.2 Conditions precedent

- (a) On or prior to creating a Legal Mortgage in respect of any Property, FAHHA shall deliver to the Security Trustee (or such person as shall be nominated by the Security Trustee,

to be held by such person to the order of the Security Trustee) the documents listed in Schedule 2 (*Documents to be provided by FAHHA under Clause 3.2 (Conditions precedent)*) (save to the extent that the Security Trustee waives such requirement), such documents to be in form and substance satisfactory to:

- (i) the Security Trustee (in its absolute discretion); and
- (ii) (where applicable) the Representative of each Relevant Beneficiary (who shall, for the avoidance of doubt, confirm the same to the Security Trustee),

and in each case the Security Trustee shall owe no duty of care to any Beneficiary or any other person in connection with the form or substance of any such documents.

- (b) Before the Designated Properties Schedule is issued in accordance with Clause 3.1 in respect of either any new security which has been charged as security under Clause 2 (*Relevant Liabilities*) or each time any security is allocated as Designated Security in respect of a Beneficiary or group of Beneficiaries for the first time in accordance with Clause 3.1, FAHHA shall certify to the Security Trustee and the Representative of any Relevant Beneficiary or intended Relevant Beneficiary that:

- (i) it is not aware of any matter affecting the marketability of that security; and
- (ii) if applicable, all Properties which are to comprise the Designated Security are let on Approved Tenancy Agreements,

and the Security Trustee shall deliver a Security Certificate to the Representative of the Relevant Beneficiary or intended Relevant Beneficiary in accordance with the terms of this Deed.

- (c) Each Beneficiary will be deemed to have inspected each Security Certificate delivered to its Representative in respect of its Designated Security and each document which is referred to in each Security Certificate and has been made available for inspection, whether or not it does inspect the same.

3.3 Execution

Each of the Beneficiaries hereby appoints the Security Trustee or such person or persons as the Security Trustee may nominate to execute (whether under seal or under hand) and deliver any Security Document to be executed and delivered on its behalf.

3.4 Registration

Each of the Beneficiaries hereby confirms and agrees that it does not wish to be registered as the joint proprietor of any Charge created pursuant to any Security Document in respect of the Designated Security and accordingly authorises the Security Trustee to hold such Charge in its sole name as trustee for the Beneficiaries and requests the Land Registry to register the Security Trustee as the sole proprietor of any such Charge in that capacity.

3.5 Release of security

- (a) At any time prior to the Security Trustee taking any steps to enforce any Designated Security, upon receiving written instructions from the relevant Representative so to do, the Security Trustee shall release the benefit of any Security Interest, rights or obligations held by it as fixed security for all or any of the Secured Obligations over the

relevant Designated Security allocated to the Relevant Documents in relation to which that Representative has been appointed, provided that FAHHA shall have paid to the Security Trustee, or provided for to the satisfaction of the Security Trustee, all Trustee Costs which relate to that Designated Security.

- (b) At any time prior to the Security Trustee taking any steps to enforce any Undesignated Security, upon receiving written instructions from FAHHA, the Security Trustee shall release the benefit of any Security Interest, rights or obligations held by it over the relevant Undesignated Security as fixed security for all or any of the Secured Obligations provided that FAHHA shall have paid to the Security Trustee, or provided for to the satisfaction of the Security Trustee, all Trustee Costs which relate to that Undesignated Security.

3.6 Protection of Designated Security

In relation to any Security Assets comprised in the Designated Security in respect of the Relevant Beneficiary:

- (a) save for where there is a disposal of a Residential Unit pursuant to the exercise of a Right to Buy or a Shared Ownership Sale in full, the Security Trustee will not execute any release of any Security Document constituting the Designated Security unless instructed in writing by the Representative of the Relevant Beneficiary (and the Representative shall promptly send a copy of any such instructions to FAHHA) or otherwise save as may be required by law. For the avoidance of doubt, such Representative shall promptly instruct the Security Trustee to release any Designated Security where such release is permitted pursuant to the Relevant Beneficiary's Relevant Documents and shall promptly send a copy to FAHHA of any such instructions to the Security Trustee;
- (b) each Representative and FAHHA severally undertakes that it will not without the written consent of the Representative of the Relevant Beneficiary:
 - (i) purport to designate any of the Designated Security for such Relevant Beneficiary as fixed security for any monies, liabilities or obligations whatsoever (actual or contingent) payable, owing, due or incurred by FAHHA to any person other than the Relevant Beneficiary; or
 - (ii) save as permitted by the Relevant Documents in respect of the Relevant Beneficiary or save as may be required by law, enter into any deed or document which would create any Security Interest (other than the Floating Charge) affecting such Designated Security; and
- (c) the Security Trustee shall be entitled to (and it is the intention that it shall) rely on any Designated Properties Schedule delivered to it in accordance with this Deed and any representation, warranty and approval given by a Representative in any instruction delivered to it or agreement made with it pursuant to this Clause 3 without further enquiry and when releasing the benefit of any fixed Security Interest, right or obligation and/or, as the case may be, reassigning any property and/or, as the case may be, treating any security as Undesignated Security pursuant to this Clause 3 the Security Trustee shall not be required to (and it is the intention that the Security Trustee shall not) consider whether any rights of or obligations owed to any Beneficiary will be or are likely to be prejudiced by such release or, as the case may be, reassignment or, as the case may be, treatment as Undesignated Security.

3.7 Floating Charge

FAHHA may, at any time, without the consent of the Security Trustee (but subject to the terms of the Relevant Documents) dispose of or deal with any of the assets subject to the Floating Charge in the ordinary and normal course of its business in such manner as FAHHA considers fit (except to the extent that those assets are also Fixed Security Assets).

3.8 Information

Each Representative shall provide the Security Trustee, on request, with accurate and up-to-date information as to the Relevant Liabilities owing (actually or contingently) to the Beneficiary or group of Beneficiaries (as applicable) for which it is the Representative to enable the Security Trustee to perform its functions under this Deed, such certificate to be in a form reasonably required by the Security Trustee and signed by an authorised officer of the Representative and the Security Trustee shall be entitled to rely on any such certificates and shall have no duty to enquire as to the accuracy thereof.

3.9 Security Register

FAHHA will at all times maintain, in substantially the form disclosed to the Security Trustee by FAHHA at or around the date of the Deed, a separate register in respect of each pool of Designated Security held by the Security Trustee for and on behalf of a Relevant Beneficiary and a separate register of Undesignated Security (and together such registers are the **Security Register**). FAHHA will promptly make an entry in the Security Register in respect of:

- (a) each asset charged by FAHHA in favour of the Security Trustee so as to form part of the Fixed Security Assets together with details of the Relevant Beneficiary in relation to each item of Designated Security;
- (b) each release of Fixed Security Assets from any Security Document;
- (c) any disposition or dealing affecting any Fixed Security Asset including (without limitation) any disposition by operation of law but excluding any letting on an Approved Tenancy Agreement;
- (d) each redesignation of Property comprised in Designated Security as Undesignated Security;
- (e) each redesignation of Property comprised in Undesignated Security as Designated Security; and
- (f) each redesignation of Property as Designated Security from one set of Beneficiaries (or Representative) to another.

3.10 Inspection

The Security Register in respect of each Representative will be open to inspection by that Representative, the Relevant Beneficiaries and the Security Trustee at all reasonable times and upon reasonable notice during business hours at the registered office of FAHHA from time to time. The Security Register in respect of Undesignated Security will be open to inspection on like terms by the Security Trustee.

3.11 Reconciliation

Only insofar as there has been a change to the Security Register, not less than once in every successive period of 3 months falling after the date of this Deed, FAHHA shall deliver to the Security Trustee a copy of the Security Register and a note of any changes to the Security Register since a copy was last delivered to the Security Trustee so as to enable the Security Trustee to reconcile its records to the Security Register.

3.12 Documentary taxes indemnity

All stamp, documentary, registration or other like duties or Taxes, including any penalties, additions, fines, surcharges or interest relating to those duties and Taxes which are imposed or chargeable on or in connection with any Security Document shall be paid by FAHHA. The Security Trustee shall be entitled but not obliged to pay any such duties or Taxes (whether or not they are its primary responsibility). If the Security Trustee does so, it shall notify FAHHA as soon as reasonably practicable, and in any event FAHHA shall on demand indemnify the Security Trustee against those duties and Taxes and against any costs and expenses incurred by the Security Trustee in discharging them and hereby agrees to pay an equivalent amount to the Security Trustee of any costs or expenses incurred by the Security Trustee in discharging the same.

3.13 Reliance

The Security Trustee may rely on the Security Register absolutely without further enquiry or investigation in respect thereof.

4 Trust

The Security Trustee shall hold the Trust Property on trust for the Beneficiaries and, subject to the interest of the Beneficiaries, for FAHHA (in accordance with its equity of redemption) on the terms and subject to the conditions contained herein.

5 Modification

- (a) Subject to Clause 5(b), the Security Trustee may from time to time with the consent or sanction in writing of the Representative of each Beneficiary agree with FAHHA in making any modification to any term of this Deed and/or any Accession Deed and/or the Security Documents which affects or may affect the rights and obligations of such Beneficiary.
- (b) Any such modification may be made without the concurrence of the Representative of any other Beneficiary whose rights and obligations are not affected or prejudiced by that modification.

6 Default procedure

- 6.1 If a Representative becomes aware of the occurrence of an Enforcement Event or a Potential Enforcement Event under a Relevant Document to which it is a party which is continuing unremedied or unwaived, it shall as soon as reasonably practicable notify the Security Trustee in writing giving reasonable details of the same and the Security Trustee shall as soon as reasonably practicable following such notice inform each other Representative of the Enforcement Event or the Potential Enforcement Event giving reasonable details of the same.
- 6.2 Following notification pursuant to Clause 6.1:

- (a) each Representative shall within three Business Days provide the Security Trustee in writing with the information required pursuant to Clause 3.8 (*Information*) solely for the purposes of determining each Beneficiary's Relevant Liabilities;
- (b) in relation to the Designated Security attributed to the Relevant Liabilities of a Relevant Beneficiary, the Security Trustee shall, following the occurrence of an Enforcement Event which is continuing unremedied or unwaived in relation to such Relevant Liabilities and if so instructed in writing by the Representative of that Relevant Beneficiary, enforce the Rights which relate to the Designated Security in accordance with the instructions of that Representative;
- (c) in relation to the Floating Charge, the Security Trustee shall, following the occurrence of an Enforcement Event which is continuing unremedied or unwaived:
 - (i) if so instructed by any Representative, convert the Floating Charge into a fixed charge; and
 - (ii) thereafter, enforce the Rights which relate to the Floating Charge in accordance with the joint written instructions of the Representatives of all the Beneficiaries (or, to the extent that such joint instructions cannot be agreed, the joint written instructions of the Representatives of Beneficiaries representing in excess of 66.66% in nominal or principal amount of all outstanding Relevant Liabilities of Beneficiaries); and
- (d) in relation to the Undesignated Security, following the occurrence of an Enforcement Event which is continuing unremedied or unwaived, the Security Trustee:
 - (i) may, if it is the only Beneficiary, on its own account; and
 - (ii) shall, if so instructed in writing by the Representative of a Beneficiary whose Relevant Liabilities are not or will not be satisfied in full following the application of Proceeds of the Designated Security attributed to such Relevant Liabilities under Clause 7.2 (*Application of Proceeds*),

enforce the Rights which relate to the Undesignated Security,

provided that nothing in this Clause 6.2 shall entitle a Representative to enforce any Rights contrary to the terms of any of the Relevant Documents and provided that the Security Trustee shall be entitled to decline to take any action to enforce any security unless indemnified and/or secured and/or pre-funded to its satisfaction.

- 6.3 Each of the parties hereto agrees that an Enforcement Event under a Relevant Document shall constitute an Enforcement Event under each other Relevant Document.

7 Application of Proceeds

- 7.1 The Security Trustee shall, upon the enforcement of the Rights, and after satisfying claims which at law rank in priority to sums owing under or in respect of any of the Relevant Documents, apply all Proceeds and all money derived therefrom:

- (a) in respect of each item of Designated Security, in the order of priorities set out in Clause 7.2; or

- (b) in respect of each item of Undesignated Security and/or the Floating Charge, in the order of priorities set out in Clause 7.3.

7.2 The order of priorities referred to in Clause 7.1(a) is:

- (a) first, in or towards payment of all Relevant Trustee Costs;
- (b) secondly, in or towards satisfaction of all Relevant Liabilities of the Relevant Beneficiary (other than Relevant Trustee Costs) in accordance with the Relevant Documents in respect of the Relevant Liabilities;
- (c) thirdly, by allocating the balance among the Beneficiaries whose Relevant Liabilities have not been fully discharged under Clause 7.2(b) *pro rata* to their unpaid liabilities so that the amount allocated to each Beneficiary shall be applied in satisfaction when due of the Relevant Liabilities owed to such Beneficiary arising in connection with the relevant Relevant Document in the order of priority set out therein (and so that, in each case, any surplus remaining after payment of all such Relevant Liabilities when due shall be re-allocated among the remaining Beneficiaries *mutatis mutandis* in accordance with the foregoing provisions);
- (d) fourthly, to the extent not recovered under Clause 7.2(a), in or towards payment of all Trustee Costs; and
- (e) fifthly, the balance, if any, to FAHHA.

7.3 The order of priorities referred to in Clause 7.1(b) is:

- (a) first, to the extent not recovered under Clauses 7.2(a), 7.2(b), 7.2(c) or 7.2(d), in or towards payment of all Trustee Costs;
- (b) secondly, by allocating the balance among the Beneficiaries whose Relevant Liabilities have not been fully discharged under Clauses 7.2(a), 7.2(b), 7.2(c) or 7.2(d) *pro rata* to their unpaid liabilities so that the amount allocated to each Beneficiary shall be applied in satisfaction when due of the Relevant Liabilities owed to such Beneficiary arising in connection with the relevant Relevant Document in the order of priority set out therein (and so that, in each case, any surplus remaining after payment of all such Relevant Liabilities when due shall be re-allocated among the remaining Beneficiaries *mutatis mutandis* in accordance with the foregoing provisions); and
- (c) thirdly, the balance, if any, to FAHHA.

7.4 Clauses 7.1 to 7.3 (inclusive) and Clause 7.5 may only be varied with the consent of all the Beneficiaries.

7.5 This Clause 7 shall override any appropriation made by FAHHA.

8 Activities of the Security Trustee

8.1 The Security Trustee shall only be required to take any action to enforce or protect the security created by any Security Document:

- (a) in respect of any Designated Security and any document referred to therein if instructed to do so in writing by the relevant Representative and may refrain from exercising any right, power or discretion vested in it by this Deed or any Relevant Document in respect

of such Designated Security unless and until instructed in writing by the relevant Representative as to whether or not any such right, power or discretion is to be exercised and as to the manner in which it should be exercised and subject always to the provisions of this Deed; and

- (b) in respect of any Undesignated Security and any document referred to therein if instructed to do so in writing by each relevant Representative and may refrain from exercising any right, power or discretion vested in it by this Deed or any Relevant Document in respect of such Undesignated Security unless and until instructed in writing by each relevant Representative as to whether or not any such right, power or discretion is to be exercised and as to the manner in which it should be exercised and subject always to the provisions of this Deed.

The Security Trustee shall be entitled to seek instructions from each relevant Representative as to the manner in which it should carry out any course of action and will act in accordance with any such instructions given by each relevant Representative subject to the provisions of this Deed (provided that the Security Trustee may in its discretion elect not to act pending receipt of such instructions and/or an indemnity and/or security and/or pre-funding to its satisfaction from each such relevant Representative). The Security Trustee shall not be liable to any Representative, any Beneficiary, FAHHA or any other person for any action it may take in accordance with any such instructions in respect of the exercise of any right or power hereby conferred or in respect of any matter not expressly provided for in this Deed. The Security Trustee shall be entitled to seek clarification from each relevant Representative with regard to any such instructions and may in its discretion elect not to act pending receipt of such clarification and/or an indemnity and/or security and/or pre-funding to its satisfaction from each such relevant Representative.

8.2 Discretions and duties

In addition to other discretions and duties provided in this Deed, the Security Trustee shall:

- (a) as soon as reasonably practicable, send to the Representatives of the Beneficiaries or, at the Security Trustee's discretion, the Representative of each Beneficiary for whom the Property in question is Designated Security, details of each communication received by it from FAHHA under this Deed or any of the Security Documents or the Ancillary Documents in relation to that Property provided that the Security Trustee shall not be obliged to report more frequently than quarterly in relation to changes to the Security Register and matters required to be recorded on the Security Register;
- (b) as soon as reasonably practicable, promptly inform the Representative of each Beneficiary of any matter of which it (in its capacity as Security Trustee) or any of its agents (acting in that capacity) becomes aware which affects the Designated Security in respect of that Beneficiary (including without limitation any disposal or Security Interest affecting or attaching to that Designated Security by operation of law and/or notified by the Land Registry); and
- (c) save as otherwise expressly provided in this Deed or any of the Security Documents or the Ancillary Documents, in granting any consent or waiver or exercising any right, power, trust, authority or discretion hereby vested in it, act as it, in its absolute discretion, shall think fit, in which case it shall be in no way responsible for any loss, costs, damages or expenses which may result from the exercise or non-exercise thereof (save in the case of its own gross negligence, wilful default or fraud).

8.3 Protections

By way of supplement to the Trustee Acts, it is expressly declared as follows:

- (a) that the provisions of section 1 of the Trustee Act 2000 shall not apply to the Security Trustee or any of the provisions of this Deed;
- (b) the Security Trustee may in relation to any of the provisions of this Deed, each Accession Deed, any of the Security Documents or the Ancillary Documents, obtain, pay for and act on the opinion or advice of or any information obtained from any lawyer, valuer, surveyor, broker, auctioneer, accountant or other expert whether obtained by FAHHA, any Beneficiary, any Representative or by the Security Trustee or otherwise and shall not be responsible for any loss occasioned by so acting (notwithstanding that such opinion, advice or information may contain a cap or other limitation (monetary or otherwise) on the liability of any person), provided that the Security Trustee has exercised reasonable care and acted in good faith in the selection of such person;
- (c) any opinion, advice or information obtained pursuant to Clause 8.3(b) may be sent or obtained by letter, email, fax, telephone or other means and the Security Trustee shall not be liable for acting on any opinion, advice or information purporting to be so conveyed or any other document purporting to be conveyed from any Beneficiary, any Representative or FAHHA notwithstanding if, in any such case, the same may contain some error or may not be authentic;
- (d) the Security Trustee may call for and shall be at liberty to accept as sufficient evidence a certificate signed by any one Authorised Signatory to the effect that any particular dealing, transaction, step or thing is in the opinion of the persons so certifying suitable or expedient or as to any other fact or matter upon which the Security Trustee may require to be satisfied. The Security Trustee shall be in no way bound to call for further evidence or be responsible for any loss that may be occasioned by acting on any such certificate even if the same contains an error or is not authentic;
- (e) the Security Trustee may refrain from doing anything which would or might reasonably be expected to in its opinion be contrary to any law of any jurisdiction or any directive of any agency of any state or which would or might reasonably be expected to in its opinion otherwise render it liable to any person and may do anything which is in its opinion necessary to comply with any such law or directive;
- (f) the Security Trustee shall not be liable for any failure, omission, or defect in perfecting the security constituted by any of the Security Documents including without prejudice to the generality of the foregoing:
 - (i) failure to obtain any licence, consent or other authority for the execution of any Security Document;
 - (ii) failure to register the same; or
 - (iii) failure to obtain any documents which, under the terms of any Security Document or Ancillary Document, should have been deposited with it;
- (g) the Security Trustee shall accept without enquiry, requisition, objection or investigation such title as FAHHA may have to the Security Assets or any part thereof;

- (h) the Security Trustee shall be at liberty to place any of the Security Documents and any other instruments, documents or deeds delivered to it pursuant to or in connection with any of the Security Documents for the time being in its possession in any safe deposit, safe or receptacle selected by it without being bound to enquire as to the existence or adequacy of any insurances with any bank or building society within the United Kingdom, any company whose business includes the safe custody of documents or any reputable firm of lawyers, or, in respect of any insurance policies, to place the policy documents with any insurance broker of good repute, and shall not be responsible for any loss thereby incurred and, without prejudice to the foregoing, FAHHA's lawyers may retain any such instruments, documents or deeds delivered to the Security Trustee pursuant to or in connection with the Security Documents provided that such lawyers undertake to hold such instruments, deeds or documents to the order of the Security Trustee;
- (i) save as otherwise provided in this Deed, any Accession Deed or any Security Document, all monies which under the trusts herein contained are received by the Security Trustee may be invested in the name of or under the control of the Security Trustee in any investment for the time being authorised by English law for the investment by trustees of trust monies or in any other investments, whether similar to the aforesaid or not, which may be selected by the Security Trustee or by placing the same on deposit in the name of or under the control of the Security Trustee at such bank or institution (including the Security Trustee) as the Security Trustee may think fit, and the Security Trustee may at any time vary or transfer any such investments for or into other such investments and shall not be responsible for any loss occasioned thereby whether by depreciation in value or otherwise save in respect of any gross negligence or wilful default by the Security Trustee. For the avoidance of doubt, the Security Trustee may not invest such monies in any currency other than sterling and may not convert any such monies deposited in any such investments into any other currency;
- (j) the Security Trustee may in the conduct of the trusts hereof instead of acting personally employ and pay an agent (on such terms and subject to such conditions, including the power to sub-delegate, as the Security Trustee may specify) whether being a solicitor or other appropriately qualified person to transact or concur in transacting any business and to do or concur in doing any acts required to be done by the Security Trustee including the receipt and payment of money and any agent being a solicitor, broker or other person engaged in any profession or business shall be entitled to be paid all usual and properly incurred professional and other charges for business transacted and acts done by him or any partner of his in connection with the trusts hereof. The Security Trustee shall not be responsible for the acts or omissions of any such person provided that the Security Trustee has exercised reasonable care and acted in good faith in the selection of such person;
- (k) the Security Trustee shall have only those duties, obligations and responsibilities expressly specified in this Deed and shall not have any implied duties, obligations and responsibilities;
- (l) the Security Trustee shall not be under any obligation to insure any of the Trust Property or any deeds or documents of title or other evidence in respect thereof and shall not be responsible for any loss, expense or liability which may be suffered as a result of the lack of or inadequacy of any such insurance;

- (m) no provision of this Deed, any Accession Deed or any Relevant Document or any document referred to therein shall require the Security Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity and/or security and/or pre-funding against such risk or liability is not assured to it;
- (n) the Security Trustee shall not be responsible for the legality, validity, effectiveness, suitability, adequacy or enforceability of any Relevant Document or other documents entered into in connection therewith or any other document or any obligation or rights created or purported to be created thereby or pursuant thereto or any security or the priority thereof constituted or purported to be constituted thereby or pursuant thereto, nor shall it be responsible or liable to any person because of any invalidity of any provision of such documents or the unenforceability thereof, whether arising from statute, law or decision of any court, nor shall it be responsible for the adequacy, accuracy and/or completeness of any information whatsoever supplied to any person in connection with the Trust Property or any Relevant Document;
- (o) neither the Security Trustee nor any of its directors or officers shall by reason of the fiduciary position of the Security Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with FAHHA or any person or body corporate directly or indirectly associated with any of them, or from accepting the trusteeship of any debenture stock, debentures or security of FAHHA or any person or body corporate directly or indirectly associated with any of them and neither the Security Trustee nor any such director or officer shall be accountable to any Beneficiary or any Representative for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Security Trustee and any such director or officer shall also be at liberty to retain the same for its or his own benefit;
- (p) except as herein expressly provided, the Security Trustee is hereby authorised and it shall be entitled to assume without enquiry (in the absence of actual knowledge by or an express notice to it to the contrary) that no Enforcement Event or Potential Enforcement Event has occurred and FAHHA is duly performing and observing all the covenants, conditions, provisions and obligations contained in any Security Document and/or in respect of the Secured Obligations and on its part to be performed and observed. In particular the Security Trustee is under no duty to enquire as to any disposition or dealing affecting a Property (including any arising by operation of law);
- (q) each Beneficiary will be solely responsible for assessing the value of and income deriving from its Designated Security and the Security Trustee will have no responsibility in respect thereof;
- (r) unless otherwise specifically stated in any discharge of this Deed, the provisions of this Clause 8 shall continue in full force and effect notwithstanding such discharge;
- (s) where under any Security Document any action, approval, consent or authorisation requires the consent of any party, the Security Trustee will not undertake that action or grant that approval, consent or authorisation without obtaining that consent;
- (t) the Security Trustee shall, when acting as Security Trustee, be regarded as acting through its security trust division which shall be treated as a separate entity from any other of its divisions or departments, such that if information is received by another

division or department of the Security Trustee, it may be treated as confidential to that division or department and the Security Trustee shall not be deemed to have notice of it; and

- (u) the Security Trustee shall not be responsible for:
 - (i) the financial condition of FAHHA;
 - (ii) the performance and observance by FAHHA of its obligations under any Relevant Document; or
 - (iii) the collectability of amounts payable under any Relevant Document.

8.4 Indemnities

- (a) Without prejudice to FAHHA's obligations to indemnify the Security Trustee under this Deed, each of the Beneficiaries (other than the Security Trustee), subject to the provisions of Clauses 8.4(b) and 8.4(c), hereby undertakes severally to indemnify and hold harmless the Security Trustee against:

- (i) all remuneration, costs, charges, losses, claims, damages, liabilities, expenses and other sums (or actions in respect thereof) including VAT thereon suffered or properly incurred by the Security Trustee (acting reasonably at all times prior to the occurrence of an Enforcement Event) or any person appointed by the Security Trustee to whom any right, power, trust, authority or discretion may be delegated by it pursuant hereto, in connection with this Deed, the Security Documents and the Ancillary Documents and the rights, powers, trusts, authorities and discretion and duties contemplated therein or actions in respect thereof; and
- (ii) all remuneration, costs, charges, expenses and other sums (or actions in respect thereof) including VAT thereon suffered or properly incurred by the Security Trustee (acting reasonably at all times prior to the occurrence of an Enforcement Event) or such person as a result of complying with the provisions hereof or as a result of any Beneficiary challenging the right of the Security Trustee so to comply,

to the extent that (other than in respect of any indemnity to be given by any Beneficiary in order to satisfy the indemnification provisions of Clause 6.2 (*Default procedure*), Clause 8.1, Clause 8.3(m) and Clause 12.5 (*Benefit of agreement and resignation of the Security Trustee*)) FAHHA has failed to comply with its obligations to indemnify and/or secure and/or pre-fund the Security Trustee as aforesaid (other than as a result of the gross negligence, wilful default or fraud of the Security Trustee). Each amount referred to in this Clause 8.4(a) is an **Indemnified Amount**.

- (b) To the extent the Security Trustee determines that any Indemnified Amount has been incurred in relation to any specific Designated Security or the Relevant Liabilities of any Beneficiary, that Relevant Beneficiary alone shall be responsible for the indemnity in relation to that Indemnified Amount under Clause 8.4(a).
- (c) To the extent that the Security Trustee determines that any Indemnified Amount does not fall within Clause 8.4(b) then each Beneficiary (other than the Security Trustee) shall be responsible for an indemnity for such part of the Indemnified Amount as shall represent its Relevant Proportion.

- (d) Each Representative shall provide the Security Trustee, on request, with accurate and up-to-date information as to the amount of the Commitment of the Beneficiary for which it is the Representative to enable the Security Trustee to calculate the amount of a Beneficiary's Relevant Proportion where it is relevant for the Security Trustee to do so for the purposes of calculating any fees or indemnities contained in this Deed, and the Security Trustee shall be entitled to rely on any such information and shall have no duty to enquire as to the accuracy thereof.

8.5 Officers and agents

No Beneficiary may take proceedings against any officer, employee or agent of the Security Trustee in respect of any claim it might have against the Security Trustee or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Security Document or Ancillary Document (save in the case of fraud by that officer, employee or agent) and any officer, employee or agent of the Security Trustee may rely on this Clause 8.5.

8.6 No independent enforcement

The Beneficiaries shall not have an independent power to enforce any Security Document or any Ancillary Document or to exercise any rights, discretions or powers or to grant any consents or releases under or pursuant to any Security Document or any Ancillary Document or otherwise have direct recourse to the security constituted by any Security Document except through the Security Trustee or with the Security Trustee's prior written consent.

8.7 Assistance

- (a) Each Beneficiary (other than the Security Trustee) hereby covenants and undertakes to the Security Trustee, as follows:
 - (i) it will send to the Security Trustee, on request, a list of its duly authorised officers together with specimen signatures of such persons; and
 - (ii) it will, so far as permitted by applicable law and regulatory requirements, provide the Security Trustee with all such information (including details of the Relevant Liabilities outstanding to it) as the Security Trustee may reasonably require for the purposes of the discharge of the rights, duties, powers, trusts, authorities and discretions vested in the Security Trustee by this Deed, any Relevant Document or by operation of law.
- (b) Each Beneficiary and FAHHA shall promptly upon the request of the Security Trustee use commercially reasonable endeavours to supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Security Trustee in order for the Security Trustee to carry out and be satisfied it has complied with all necessary 'know your customer', anti-money laundering or other similar checks and requirements under all applicable laws and regulations pursuant to the transactions contemplated in the Relevant Documents.

9 Remuneration of the Security Trustee

- 9.1 FAHHA shall (subject as hereinafter provided) pay to the Security Trustee in every year until the trusts hereof shall be finally wound up a fee calculated at such rate as may be agreed from time to time between FAHHA and the Security Trustee and such fee shall be payable on such date or dates in each year as may from time to time be agreed between FAHHA and the Security Trustee.

- 9.2 If the Security Trustee enforces (in accordance with the terms of this Deed or any Security Document) or is required to enforce any of the Security Documents or in the event that the Security Trustee considers it necessary or it is being required to undertake duties which the Security Trustee and FAHHA agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee under this Deed, FAHHA shall pay to the Security Trustee such additional remuneration as may be agreed between them. In the event of the Security Trustee and FAHHA failing to agree upon whether such duties are of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee under this Deed, or failing to agree upon such additional remuneration, such matters shall be determined by an investment bank or person (acting as an expert and not as an arbitrator) selected by the Security Trustee and approved by FAHHA or, failing such approval, nominated (on the application of the Security Trustee) by the President for the time being of The Law Society of England and Wales. The decision of any such investment bank or person shall be final and binding on FAHHA and the Security Trustee and the expenses involved in such nomination and the fees of such investment bank or person shall be paid by FAHHA.
- 9.3 In addition to remuneration hereunder FAHHA shall, on written request, pay all fees, costs, charges and expenses including travelling expenses which the Security Trustee may properly incur in relation to:
- (a) the preparation and execution of this Deed, any Accession Deed, each Security Document and each Ancillary Document;
 - (b) responding to, evaluating, negotiating or complying with any request for an amendment, waiver or consent under this Deed, any Accession Deed, any Security Document or any Ancillary Document; and
 - (c) the exercise of powers, enforcement or preservation of rights or the performance of its duties and in any other manner (including in connection with proceedings initiated by or against the Security Trustee as a consequence of it taking or holding the Trust Property or enforcing its rights in relating thereto) in relation to or under this Deed, any Accession Deed, any Security Document or any Ancillary Document.
- 9.4 Without prejudice to any indemnity contained in any Security Document, FAHHA shall indemnify the Security Trustee:
- (a) in respect of all liabilities and expenses incurred by it or by any person (including, without limitation, any receiver, attorney or agent) appointed by it to whom any right, trust, power, authority or discretion may be delegated by it in the execution or purported execution of the rights, trusts, powers, authorities or discretions vested in it by this Deed, any Accession Deed, any Security Document or under any Ancillary Document; and
 - (b) against all liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way in relation to this Deed, any Accession Deed, any of the Security Documents or under any Ancillary Document,
- save where the same has arisen from the Security Trustee's gross negligence, wilful default or fraud.
- 9.5 All sums payable under Clauses 9.3 and 9.4 shall be payable within 30 days of written demand therefor. All sums payable by FAHHA under this clause shall carry interest at a rate equal to 2% per annum over the base lending rate of HSBC Bank plc from time to time from the earlier to occur of:

- (a) the date falling 30 days after such written demand;
- (b) the date specified in such written demand on which payment will be made by the Security Trustee; or
- (c) the date of such written demand if the Security Trustee specifies in the written demand that payment has already been made by the Security Trustee.

9.6 All payments made by FAHHA under the Security Documents are calculated without regard to VAT. If any payment constitutes the whole or any part of the consideration for a taxable or deemed taxable supply by the Security Trustee, the amount of that payment shall be increased by FAHHA by an amount equal to the amount of VAT which is chargeable in respect of the taxable supply in question.

9.7 Where in any Security Document FAHHA has an obligation to indemnify or reimburse the Security Trustee in respect of any loss or payment, the calculation of the amount payable by way of indemnity or reimbursement shall take account of the likely Tax treatment in the hands of the Security Trustee of the amount payable by way of indemnity or reimbursement and of the loss or payment in respect of which that amount is payable.

10 Appointment of additional trustees

10.1 With the prior written consent of the Representative of each Beneficiary to the extent reasonably practicable in the circumstances prevailing at the relevant time (such consent shall not be unreasonably withheld or delayed), the Security Trustee may at any time appoint any person (whether or not a trust corporation) to act either as a separate trustee or as a co-trustee jointly with it:

- (a) if it considers such appointment to be in the interests of the Beneficiaries; or
- (b) for the purposes of conforming to any legal requirements, restrictions or conditions which the Security Trustee deems relevant for the purposes hereof, and the Security Trustee shall give notice to FAHHA of any such appointment.

10.2 Any person so appointed shall have such rights, powers, authorities and discretions and such duties and obligations as shall be conferred or, imposed on such person by the instrument of appointment and shall have the same benefits under Clauses 8 (*Activities of the Security Trustee*) and 9 (*Remuneration of the Security Trustee*) as the Security Trustee.

10.3 The Security Trustee shall have power to remove any person so appointed.

10.4 The Security Trustee may pay to any person so appointed any properly incurred remuneration, and any such remuneration, costs, charges and expenses incurred by such person in performing its functions pursuant to such appointment shall, for the purposes hereof, be treated as costs, charges and expenses incurred by the Security Trustee in performing its function as trustee hereunder.

11 FAHHA

FAHHA is party to this Deed for the purpose of acknowledging the provisions hereof and the priorities herein recorded and the obligations owed by it to the Security Trustee and undertakes with each Beneficiary and the Security Trustee to observe the provisions of this Deed at all times and not in any way to do or knowingly suffer anything within its control to be done which would be a breach of the terms of its obligations under this Deed.

12 Benefit of agreement and resignation of the Security Trustee

- 12.1 This Deed shall be binding on and enure for the benefit of each party hereto and its successors in title (whether immediate or derivative) and to any transferees or assigns (whether immediate or derivative) of any Beneficiary in accordance with the terms of any Relevant Document.
- 12.2 The Security Trustee may retire at any time on giving not less than three months' prior written notice to each Representative of the Beneficiaries and FAHHA without assigning any reason and without being responsible for any costs occasioned by such retirement.
- 12.3
- (a) After consultation with FAHHA, each Representative of the Beneficiaries shall have the power by notice in writing signed by the Representatives of Beneficiaries representing in excess of 66.66% in nominal or principal amount of all outstanding Relevant Liabilities to remove the Security Trustee and appoint a replacement.
 - (b) With the prior written consent of the Beneficiaries representing in excess of 66.66% in nominal or principal amount of all outstanding Relevant Liabilities, FAHHA shall have the power by notice in writing to the Security Trustee and to each Relevant Beneficiary to remove the Security Trustee and appoint a replacement which has been approved in writing by the Beneficiaries.
- 12.4 Each Representative of the Beneficiaries shall have the power by notice in writing signed by the Representatives of Beneficiaries representing in excess of 66.66% in nominal or principal amount of all outstanding Relevant Liabilities to remove the Security Trustee and appoint a replacement. The retirement or removal of the Security Trustee shall not become effective until a successor trustee is appointed and shall have become bound by the provisions of these presents whereupon the Security Trustee retiring or being removed shall thereby forthwith be discharged from such provisions. Upon the replacement Security Trustee agreeing in writing that it shall assume the duties and obligations assumed by the Security Trustee in this Deed it shall have all the rights, trusts, powers, authorities, discretions, duties and obligations of and vested in the Security Trustee under this Deed.
- 12.5 Any costs properly incurred by the Security Trustee in connection with its removal (and the consequent appointment of a successor Security Trustee) will be for the account of FAHHA, unless such removal and appointment have been instigated by the Beneficiaries or their Representatives, in which event the Beneficiaries will bear (and will indemnify FAHHA and the outgoing and new Security Trustee against) all such reasonable (or in the case of the outgoing Security Trustee, properly incurred) costs and expenses relating to the removal of the Security Trustee and appointment of a successor, to be apportioned among the Beneficiaries in accordance with the Relevant Proportion.

13 Notices

13.1 Communications in writing

All notices or other communications under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by letter or (subject to Clause 13.4) email.

13.2 Addresses

The address and email address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or

delivered under or in connection with this Deed is the address identified with its signature below or in any Accession Deed or any substitute address, email address or department or officer as the Party (other than the Security Trustee) may notify to the Security Trustee by not less than five Business Days' notice. Promptly upon changing its address or email address, the Security Trustee shall notify the other Parties.

13.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective if by way of letter, when it has been left at the relevant address or two Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address.
- (b) Any communication or document to be made or delivered to the Security Trustee will be effective only when actually received by the Security Trustee and then only if it is expressly marked for the attention of the department or officer identified pursuant to Clause 13.2 (or any substitute department or officer as the Security Trustee shall specify for this purpose).
- (c) All notices from or to FAHHA shall be sent through the Security Trustee.
- (d) Any communication or document which becomes effective, in accordance with Clauses 13.3(a) to 13.3(c), after 5.00 pm in the place of receipt shall be deemed only to become effective on the following Business Day.

13.4 Electronic communication

- (a) Any communication or document to be made or delivered by one Party to another under or in connection with this Deed may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:
 - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
 - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- (b) Any such electronic communication or delivery as specified in Clause 13.4(a) to be made between FAHHA and any Beneficiary may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication.
- (c) Any such electronic communication or document as specified in Clause 13.4(a) made or delivered by one Party to another will be effective only when actually received (or made available) in readable form, and in the case of any electronic communication made by a Party to the Security Trustee only if it is addressed in such a manner as the Security Trustee shall specify for this purpose.
- (d) Any electronic communication or document which becomes effective, in accordance with Clause 13.4(c), after 5.00 pm in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Deed shall be deemed only to become effective on the following day.

- (e) Any reference in this Deed to a communication being sent or received or a document being delivered shall be construed to include that communication being made available in accordance with this Clause 13.4.

14 Winding up of the trust

If the Security Trustee receives confirmation in writing that all of the obligations under each of the Relevant Documents have been fully, finally and unconditionally discharged and released, the trusts herein created shall be wound up.

15 Set off and counterclaim

All payments under this Deed shall be made without set-off or counterclaim.

16 Severance

If any provision of any Security Document is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of the Security Documents; or
- (b) the legality, validity or enforceability in any other jurisdiction of that or any other provision of the Security Documents.

17 Waivers; remedies cumulative

The rights of the Beneficiaries under the Security Documents:

- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of rights under the general law; and
- (c) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any such right is not a waiver of that right.

18 Counterparts

This Deed may be executed in counterparts, all of which when taken together shall constitute a single deed.

19 Governing law

This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, the laws of England.

20 Jurisdiction of courts of England

- 20.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a **Dispute**).

- 20.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- 20.3 Notwithstanding Clause 20.1, no Beneficiary shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Beneficiaries may take concurrent proceedings in any number of jurisdictions.

In witness whereof this Deed was executed by the parties hereto as a deed but not delivered until the date first above written.

Schedule 1

Form of Accession Deed

This Accession Deed dated • is supplemental to a security trust deed dated 28 July 2023 between, amongst others, The Law Debenture Trust Corporation p.l.c. as Security Trustee and Funding Affordable Homes Housing Association Limited (**FAHHA**) (as the same may from time to time be amended, novated, replaced, restated, supplemented or varied, the **Security Trust Deed**).

Unless otherwise defined herein, words and expressions defined in the Security Trust Deed have the same meaning when used in this Deed.

- 1 [[*Name of the Additional Beneficiary*] (an **Additional Beneficiary**), [as Lender (as defined in a facility agreement dated • made between FAHHA and [*name of the Additional Beneficiary*] as lender) (the **Facility Agreement**))] or [as Noteholder (as defined in a note purchase agreement dated • made between FAHHA and [*name of Additional Beneficiary*] as noteholder (the **Note Purchase Agreement**))], hereby agrees with each other person who is or who becomes a party to the Security Trust Deed that, with effect from the date on which the provisions of Clauses [2.3 (*Relevant Liabilities*)], [2.7 (*Relevant Liabilities*)], 2.4 (*Relevant Liabilities*) and 2.5 (*Relevant Liabilities*) of the Security Trust Deed have been complied with in respect of this Deed, [*name of the Additional Beneficiary*] will become a party to and be bound by and benefit from the Security Trust Deed and this Deed as the Additional Beneficiary in respect of the Relevant Liabilities owed to it from time to time pursuant to the Relevant Documents below.

The Representative for the above Additional Beneficiary shall be [*name of the Additional Beneficiary*].¹ or

[[*Name of the Representative*] (the **Representative**), [in its capacity as [Facility Agent] for and on behalf of each of the [Finance Parties] (as defined in a facility agreement dated • made between, amongst others, FAHHA and • in its capacities as [Arranger, Original Lender and Facility Agent] (the **Facility Agreement**)) (each of the [Finance Parties] being an **Additional Beneficiary** (and together the **Additional Beneficiaries**))] or [in its capacity as Representative for and on behalf of each of the Noteholders (as defined in the note purchase agreement dated • made between, amongst others, FAHHA and • in its capacities as Noteholder and Representative (the **Note Purchase Agreement**) (each of the Noteholders being an Additional Beneficiary (and together the **Additional Beneficiaries**))], hereby agrees with each other person who is or who becomes a party to the Security Trust Deed that, with effect from the date on which the provisions of Clauses [2.3 (*Relevant Liabilities*)], [2.7 (*Relevant Liabilities*)], 2.4 (*Relevant Liabilities*) and 2.5 (*Relevant Liabilities*) of the Security Trust Deed have been complied with in respect of this Deed, [*name of the Representative*] (in its capacity as [[Facility Agent] pursuant to the Facility Agreement] or [Representative pursuant to the Note Purchase Agreement]) will become a party to and be bound by and benefit from the Security Trust Deed and this Deed as the Representative of the above Additional Beneficiaries in respect of the Relevant Liabilities owed from time to time pursuant to the Relevant Documents below.]

- 2 The address and email address (and the department or officer, if any, for whose attention the communication is to be made) for notices to [[*name of the Additional Beneficiary*] (as the above Additional Beneficiary and Representative)] or [[*name of the Representative*] (as the Representative of the above Additional Beneficiaries)] for the purposes of Clause 13 (*Notices*) of the Security Trust Deed is:

¹ Note – to be used where the Additional Beneficiary joins on its own (eg. under a bilateral arrangement rather than one where there is an agent which acts as its Representative). Such Additional Beneficiary must also have a Representative for the purposes of the Security Trust Deed (which may be itself).

Address: •

Email address: •

Attention: •

or any substitute address, email address, department or officer as may be notified to the Security Trustee from time to time pursuant to Clause 13 (*Notices*) of the Security Trust Deed.

- 3 For the purposes of Clause 1.4 (*Interpretation*) of the Security Trust Deed, the first Accession Date [shall be the date of this Deed] or [occurred on •].
- 4 The Relevant Documents in relation to the Relevant Liabilities owed to the above Additional Beneficiary[y][ies] are [the Finance Documents (as defined in the Facility Agreement)].
- 5 This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.
- 6 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, the laws of England.

In witness whereof this Deed has been executed by the parties hereto as a deed but not delivered until the date first above written.

EXECUTION PAGE OF THE ACCESSION DEED

FAHHA

Executed as a deed by)
Funding Affordable Homes Housing) Director
Association Limited)
acting by two directors or by a director and its)
secretary) Director/Secretary

[Additional Beneficiary]

[The common seal of)
[Additional Beneficiary])
was affixed to this Deed in the presence of])

.....
Authorised Signatory

.....
Authorised Signatory

OR

Representative of the above Additional Beneficiaries

[The common seal of)
[Representative])
was affixed to this Deed in the presence of])

.....
Authorised Signatory

.....
Authorised Signatory

Security Trustee

Executed and delivered as a deed by
The Law Debenture Trust Corporation p.l.c.
acting by two directors/a director and a
secretary representing Law Debenture
Corporate Services Ltd

)
)
) Director
)
)

Authorised signatory
representing Law Debenture Corporate
Services Ltd

Schedule 2

Documents to be provided by FAHHA under Clause 3.2 (*Conditions precedent*)

- 1 To the extent not already provided, a certified copy of a resolution of the Board (or of a duly constituted and authorised sub-committee thereof) of FAHHA (such copy to be certified by an Authorised Signatory as correct, complete, up-to-date and in full force and effect):
 - (a) approving the terms of, and the entry into of, this Deed or, as applicable, the relevant Accession Deed and the relevant Legal Mortgage and resolving that it executes each such document;
 - (b) authorising a specified person or persons to execute each such document on its behalf if it is to be executed by a specified person or persons; and
 - (c) authorising its seal to be affixed to each such document if they are to be executed by FAHHA under seal.

If the resolution delivered above is a resolution of a sub-committee of the Board of FAHHA, a certified copy of a resolution of the Board of FAHHA appointing that sub-committee and establishing its authority (such copy to be certified by an Authorised Signatory as correct, complete, up-to-date and in full force and effect).

- 2 A certificate of an Authorised Signatory:
 - (a) certifying that each copy document relating to FAHHA specified in this Schedule 2, is correct, complete, up-to-date and in full force and effect; and
 - (b) confirming the rental levels in the relevant Valuation.
- 3 The original (which may include an electronic version if executed electronically) of the Legal Mortgage (in respect of the Property to be charged) executed by each party to it and a letter of undertaking from the solicitors to FAHHA addressed to, and in a form reasonably acceptable to, the Security Trustee and the Relevant Beneficiary to register such Legal Mortgage at the Land Registry (including applications to enter on the Proprietorship Register at the Land Registry the restriction against dealings on Form RX1 and to enter on the Charges Register the obligation to make further advances on Form CH2), at Companies House and at any other appropriate registry and pay any related fees (including Land Registry fees) within the relevant priority periods.
- 4 Where relevant but not otherwise, a copy of the consent of the relevant Secretary of State under sections 32 to 34 and 43 of the Housing Act 1985 and section 25 of the Local Government Act 1988 to the disposal by any local authority of the Charged Properties to FAHHA.
- 5 A Certificate of Title addressed to the Security Trustee and, if the Security Trustee requires, the Relevant Beneficiaries (and, in any event, in a form which may be relied on by any Beneficiaries from time to time) from solicitors reasonably acceptable to the Security Trustee on the Property to be charged.
- 6 To the extent not included in the Certificate of Title referred to above, a letter of undertaking in respect of the perfection of the security over the relevant Property addressed to the Security Trustee and, if the Security Trustee requires, the Relevant Beneficiaries (and, in any event, in a form which may be relied on by any Beneficiaries from time to time) from solicitors reasonably acceptable to the Security Trustee.

- 7 Where applicable, official priority Land Registry searches affording priority to the Security Trustee for a period of not less than 10 Business Days following the date upon which the relevant Legal Mortgage delivered pursuant to paragraph 3 above is entered into, against each Property or part thereof to be charged, the title to which is, in each case, registered or which is unregistered and in respect of which an application for first registration is to be lodged at the Land Registry with any appropriate transfers (Form TR5) (duly stamped).
- 8 To the extent not already provided, copies of policies, certificates or cover notes relating to each contract or policy of insurance taken out by or on behalf of FAHHA or in which FAHHA has an interest and which relate to the Property to be charged and evidence satisfactory to the Security Trustee that a note of the Security Trustee's interest as loss payee has been endorsed on each such contract or policy of insurance in accordance with the terms of the relevant Legal Mortgage (where applicable) or that the policy includes a provision for the automatic noting of mortgagees' interests.
- 9 Where applicable, a copy of the form of each Approved Tenancy Agreement (as defined in the relevant Legal Mortgage).
- 10 Where applicable, a certified copy of any relevant planning permission in respect of the Property to be charged.
- 11 Written confirmation from FAHHA that a current energy performance certificate is in place in respect of each Property to be charged where required under any applicable law or regulation.
- 12 Such other documents, reports or opinions (including, without limitation, structural surveys and environmental reports) certificates, consents (including landlord's consents and floating charge holders' consents if applicable), certificates of non-crystallisation of all floating charges in favour of other creditors affecting the Property and assets to be charged, notices (including notices to landlords) or assurances as the Security Trustee or Relevant Beneficiary may reasonably request.

Schedule 3

Form of Security Certificate

Date: [●]

To: [Representative] as Representative for itself [and on behalf of ● (as defined in ● [originally] dated ● made between ● (as [amended and restated on ● and as] the same may be [further] amended, novated, replaced, restated, supplemented or varied from time to time))] as Beneficiary[y/ies] (**Beneficiary[y/ies]**) (the **Representative**)

We refer to the security trust deed [originally] dated 28 July 2023 made between, *inter alios*, The Law Debenture Trust Corporation p.l.c. as security trustee (the **Security Trustee**) and Funding Affordable Homes Housing Association Limited (**FAHHA**) (as [amended and restated on ● and as] the same may be [further] amended, novated, replaced, restated, supplemented or varied from time to time the **Security Trust Deed**).

This is a Security Certificate (as defined in the Security Trust Deed). Unless otherwise defined herein, words and expressions defined in the Security Trust Deed have the same meaning when used in this Security Certificate.

The Security Trustee hereby certifies the following:

- 1 FAHHA has executed [a] Legal Mortgage[s] in favour of the Security Trustee over the Properties listed in the schedule to this Security Certificate (the **Charged Properties**) and such Charged Properties have been designated in favour of [the Representative] as security for the Relevant Liabilities in relation to [the Relevant Documents of the Beneficiaries];
- 2 copies of the conditions precedent provided in respect of the Charged Properties under Clause 3.2 (*Conditions precedent*) of the Security Trust Deed are currently available for inspection at the offices of [solicitor], provided however that the Security Trustee owes no duty of care to the Representative or any Beneficiary in connection with the form or substance of such conditions precedent; and
- 3 where applicable, copies of:
 - (a) correspondence between us and FAHHA relating to the Charged Properties; and
 - (b) information relating to the Charged Properties received by us from FAHHA,

since execution of the relevant Legal Mortgage are currently available for inspection at the offices of the Security Trustee, provided however that the Security Trustee will not be held liable for the form or content of such correspondence or information.

By agreeing that the Charged Properties have been designated in favour of [the Representative] such that the Proceeds thereof have been allocated for application in reduction of the Relevant Liabilities in relation to ●, the Representative is deemed to have confirmed that such conditions precedent are in a form and substance satisfactory to the Representative.

Yours faithfully

.....
Duly authorised signatory for and on behalf of

The Law Debenture Trust Corporation p.l.c.
as Security Trustee

The Schedule to the Security Certificate

The Charged Properties

All the land and buildings contained in and (save where expressly stated otherwise) comprising the whole of the title number set out in the table below and including all of the dwellings specified in such table:

-

Schedule 4

Form of Legal Mortgage



Dated

[Year]

FUNDING AFFORDABLE HOMES HOUSING ASSOCIATION LIMITED
as Borrower

THE LAW DEBENTURE TRUST CORPORATION P.L.C.
as Security Trustee

LEGAL MORTGAGE

(To: The Chief Land Registrar. Note: This Deed contains (in Clause 29 (*Provisions as to security*)) the consent of FAHHA to the lodgement at the Land Registry of an application by or on behalf of the Security Trustee to enter a restriction in the Proprietorship Register and (in Clause 29 (*Provisions as to security*)) the consent of FAHHA to the lodgement at the Land Registry of an application by or on behalf of the Security Trustee to enter a notice on the Charges Register.)

This Deed is dated [●]

Between

- (1) **Funding Affordable Homes Housing Association Limited**, a private company limited by guarantee incorporated and registered in England and Wales (with company number 09353468) and registered as a Registered Provider with the Regulator (with registered number 4829), whose registered office is at 73 Cornhill, London EC3V 3QQ, England (**FAHHA**); and
- (2) **The Law Debenture Trust Corporation p.l.c.** (company number 1675231) whose registered office is at 100 Bishopsgate, London EC2N 4AG as trustee of the security constituted under this Deed for itself and the Beneficiaries (as defined below) (the **Security Trustee**, which expression shall include each person or company and all other persons or companies acting as security trustee under this Deed).

Whereas

- (A) Under the terms of the Security Trust Deed (as defined below), FAHHA may grant security pursuant to this Deed to be held for and specifically designated to certain Beneficiaries.
- (B) It is intended by the parties hereto that this document shall take effect as a deed.

It is agreed

1 Interpretation

1.1 Definitions

In this Deed:

Approved Tenancy Agreement means the form of tenancy agreement from time to time permitted by the Relevant Beneficiary under its Relevant Documents or, if no requirements are specified in such Relevant Documents (or the relevant Mortgaged Property is Undesignated Security), in substantially the form of a standard tenancy agreement of FAHHA which complies with the provisions of the Regulatory Framework or any other guidance issued by the Social Housing Regulator and/or (where applicable) Homes England and/or (where applicable) the Greater London Authority under the Housing and Regeneration Act or, in respect of any tenancy agreement relating to Designated Security which does not so comply, approved by the Relevant Beneficiary (acting reasonably).

Beneficiaries has the meaning given to it in the Security Trust Deed.

Business Day has the meaning given to it in the Security Trust Deed.

Certificate of Title means a certificate of title in a form acceptable to the Security Trustee and (where the relevant Property is to become Designated Security) to the proposed Relevant Beneficiary.

Enforcement Event has the meaning given to it in the Security Trust Deed.

[Fixed Security Assets] means all assets, rights and property of FAHHA mortgaged, charged or assigned by Clause 3.1 (*Legal mortgage and fixed charges*) and/or 3.2 (*Assignments*) including, without limitation, the Mortgaged Property.²

Fixtures means, in relation to any Mortgaged Property, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery, equipment, installations and apparatus from time to time thereon owned by FAHHA.

Greater London Authority means the Greater London Authority as constituted pursuant to Part I of the Greater London Authority Act 1999.

Homes England means the Homes and Communities Agency constituted pursuant to Part 1 of the Housing and Regeneration Act trading as Homes England and any successor for the time being or any similar future authority carrying on any of the same grant/investment making functions (which for the purposes of this definition does not include the functions of the Social Housing Regulator), and where the context so requires, reference to Homes England shall include reference to the Greater London Authority (as applicable).

Housing and Regeneration Act means the Housing and Regeneration Act 2008 (as amended by the Localism Act 2011 and the Housing and Planning Act 2016).

Insurances means all contracts and policies of insurance readily available in the market at a reasonable premium which would reasonably be expected to be taken out by a Registered Provider of similar size and operating in the same locality and which are from time to time taken out by or with the authority and on behalf of FAHHA or (to the extent of such interest) in which FAHHA has an interest, in each case in connection with the Mortgaged Property.

Letting Document means any past, present or future lease, tenancy or licence to occupy or any past, present or future agreement for any of the same from time to time granted or entered into by or binding on FAHHA in respect of the Mortgaged Property and any licence, consent or approval given thereunder.

Management Lease means any lease or licence, management agreement or other right of management and sub-let or right to receive rent entered into by FAHHA to which the Mortgaged Property may at any time be subject and includes any guarantee of a tenant's obligations under the same substantially in the form(s) approved by the Relevant Beneficiary and, where any such lease, licence or other rights or management and sub-let differs from each such form, such difference does not materially adversely affect either the title of FAHHA to the Mortgaged Property, the value of the Mortgaged Property or the acceptability of the Mortgaged Property as security.

Mortgaged Property means the real property hereby legally mortgaged or charged and any other freehold or, as the case may be, leasehold property charged by way of fixed charge under this Deed.

Notice of Assignment means a notice substantially in the form set out in Part 1 of Schedule 2 (*Notices of Assignment*).

Planning Acts means the Town and Country Planning Acts 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004, the Housing and Planning Act 2016 and any

² References to Fixed Security Assets to be included in first Legal Mortgage only.

Act or Acts for the time being in force amending or re-enacting the same and any orders, regulations or permissions (which are legally binding on FAHHA or its assets) made, issued or granted under or by virtue of such Acts or any of them.

Potential Enforcement Event has the meaning given to it in the Security Trust Deed.

Premises means all buildings and erections for the time being comprised within the definition of [Fixed] Security Assets.

Receiver means any receiver, manager or administrative receiver appointed by the Security Trustee in respect of FAHHA or any of the Security Assets.

Registered Provider has the meaning given to it in the Housing and Regeneration Act.

Regulatory Framework has the meaning given to it in the Security Trust Deed.

Relevant Beneficiary has the meaning given to it in the Security Trust Deed.

Relevant Documents has the meaning given to it in the Security Trust Deed.

Reservations means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of the court;
- (b) the limitation on enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws affecting the rights of creditors generally;
- (c) the time barring of claims under the Limitations Acts;
- (d) the possibility that an undertaking to assume liability for, or to indemnify a person against, non-payment of UK stamp duty may be void; and
- (e) defences of set-off or counterclaim.

Residential Unit means a unit of residential accommodation forming all or part of a Mortgaged Property.

RPI means the General Index of Retail Prices in the United Kingdom (January 1987 = 100) (for all items) published by the Office for National Statistics (or any other Government department or other body upon which the duties in connection with such index have devolved) or in the event that such index ceases to be published, such other comparable substituted index as agreed between the Security Trustee (acting in accordance with the instructions of the relevant Beneficiaries (acting reasonably)) and FAHHA.

Secured Obligations has the meaning given to such term in the Security Trust Deed.

Security Assets means all assets, rights and property of FAHHA mortgaged, charged or assigned by Clause 3 (*Charging provisions*) including, without limitation, the Mortgaged Property.

Security Interest means any mortgage, pledge, lien, charge (including, for the avoidance of doubt, a floating charge), security assignment, hypothecation or other security interest or encumbrance of any kind or any other agreement or arrangement having the effect of conferring

security or any other type of preferential arrangement (including, without limitation title transfer and retention of title) having a similar effect.

Security Period means the period beginning on the date hereof and ending on the date upon which the Security Trustee receives confirmation in writing that all the Secured Obligations which have arisen or may arise have been unconditionally and irrevocably paid and discharged in full or the security hereby created has been unconditionally and irrevocably released and discharged.

Security Trust Deed means a deed dated 28 July 2023 and entered into by, amongst others, FAHHA and the Security Trustee (as the same may be amended, novated, replaced, restated, supplemented or varied from time to time).

Shared Ownership Lease has the meaning given to it in the Security Trust Deed.

Shared Ownership Property means any Residential Unit occupied or to be occupied pursuant to a Shared Ownership Lease where FAHHA holds, or will hold upon disposal on shared ownership terms by the grant of the Shared Ownership Lease, less than 100% of the beneficial interest in that Residential Unit and the purchaser of the balance of that beneficial interest may have the right to acquire a further portion of FAHHA's retained beneficial interest.

Social Housing Regulator means the Regulator of Social Housing established by the Legislative Reform (Regulator of Social Housing) (England) Order 2018 and any successor or successors for the time being or in each case any similar future authority carrying on any of the same regulatory/supervisory functions as the regulator of social housing.

Taxes includes all present and future taxes, charges, imposts, duties, levies, deductions, withholdings or fees of any kind whatsoever, or any amount payable on account of or as security for any of the foregoing, by whomsoever, on whomsoever and wherever imposed, levied, collected, withheld or assessed, together with any penalties, additions, fines, surcharges or interest relating thereto, and **Tax** and **Taxation** shall be construed accordingly.

Undesignated Security has the meaning given to it in the Security Trust Deed.

1.2 Construction

(a) In this Deed, unless the contrary intention appears, a reference to:

(i) **administration** shall be construed as a reference to any type of administration (including but not limited to housing administration) and **administrator** shall be construed accordingly;

assets includes present and future properties, revenues and rights of every description;

an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing and registration;

insolvency laws includes any administration, liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws;

a **month** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month except that, if there is no numerically corresponding day in the month in the next

calendar month, that period shall end on the last day in that calendar month; and

a **regulation** includes any regulation, rule, official directive, code of practice, request or guideline (whether or not having the force of law but if not having the force of law being of a kind that is customary for the relevant person (or persons of its status or type carrying on a similar business) to comply with) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

- (ii) a Clause or a Schedule is a reference to a clause of or a schedule to this Deed;
 - (iii) a law is a reference to that law as re-enacted, amended or replaced;
 - (iv) a Relevant Document or another document is a reference to that Relevant Document or other document as amended, novated, replaced, restated, supplemented or varied from time to time; and
 - (v) a Beneficiary shall include a reference to the successors, permitted assigns or transferees (whether immediate or derivative) of such Beneficiary.
- (b) Unless the contrary intention appears or as otherwise defined herein, a term used in the Security Trust Deed or in any notice given under, or in connection with, the Security Trust Deed has the same meaning in this Deed as in the Security Trust Deed or notice.
 - (c) The index to and the headings in this Deed are for convenience only and are to be ignored in construing this Deed.
 - (d) The terms of the documents under which the Secured Obligations arise and of any side letters between the parties hereto in relation thereto are incorporated herein to the extent required for any purported disposition of the Mortgaged Property contained herein to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
 - (e) If the Security Trustee considers that an amount paid to the Security Trustee or any Beneficiary for application in or towards repayment of the Secured Obligations is capable of being avoided or otherwise set aside on the liquidation or administration of FAHHA or otherwise, then such amount shall not be considered to have been irrevocably paid for the purposes hereof.
 - (f) In acting hereunder, the Security Trustee does so pursuant to its terms of appointment under the Security Trust Deed and is entitled to the protections set out therein.

1.3 Certificates

A certificate of the Security Trustee setting forth the amount of any Secured Obligation due from FAHHA shall be prima facie evidence of such amount against FAHHA in the absence of manifest error.

2 Covenant to pay

2.1 Covenant

FAHHA hereby covenants with the Security Trustee for the benefit of itself and the Beneficiaries that it will pay or discharge the Secured Obligations on the due date therefor in the manner provided in the Relevant Documents. Any amount not paid hereunder when due shall bear interest (as well after as before judgment and payable on demand) at a rate equal to 2% per annum over the highest interest rate for the time being payable under any of the Relevant Documents from time to time from the due date until the date such amount is unconditionally and irrevocably paid and discharged in full.

2.2 Right of appropriation

Upon and after the occurrence of an Enforcement Event for so long as the same is continuing (unremedied or unwaived and is not remedied within any applicable grace period), the Security Trustee shall be entitled to appropriate monies and/or assets to be applied against the Secured Obligations in accordance with Clause 11 (*Application of proceeds*) and any such appropriation shall override any appropriation by FAHHA.

3 Charging provisions

3.1 Legal mortgage and fixed charges

FAHHA with full title guarantee, as continuing security for the payment and discharge of all Secured Obligations, charges in favour of the Security Trustee as security trustee for the Beneficiaries:

- (a) by way of a first fixed legal mortgage all the property referred to in Schedule 1 together with all buildings and Fixtures, erections and structures thereon or in the course of construction thereon, the proceeds of sale of all or any part thereof and (so far as the same are capable of being mortgaged) the benefit of any covenants for title given or entered into by any predecessor in title of FAHHA and any monies paid or payable in respect of such covenants;
- (b) by way of first fixed charge:
 - (i) all plant and machinery (except for the Fixtures within Clause 3.1(a)) now or in the future owned by FAHHA and its interest in any plant and machinery in its possession which form part of or are operated on the Mortgaged Property;
 - (ii) all benefits in respect of the Insurances and all claims and returns of premiums in respect thereof;
 - (iii) the benefit of all present and future licences, consents and authorisations (statutory or otherwise) held in connection with the [Fixed] Security Assets and the use of any of the [Fixed] Security Assets specified in Clauses 3.1(a) and 3.1(b)(i) and the right to recover and receive all compensation which may at any time become payable to it in respect thereof; and
 - (iv) if and in so far as the legal mortgage set forth in Clause 3.1(a) or the assignments set out in Clause 3.2 shall for any reason be ineffective as legal mortgages or assignments, the assets referred to in those Clauses.

3.2 Assignments

FAHHA with full title guarantee as continuing security for payment and discharge of all Secured Obligations assigns absolutely (subject to a proviso for re-assignment on redemption) to the Security Trustee for the benefit of itself and the Beneficiaries all of its rights, title and interest in and to:

- (a) the personal agreements and covenants (still subsisting and capable of being enforced) by the tenants, lessees, licensees or other parties under the Letting Documents and by all guarantors and all security held by FAHHA from time to time whether present or future in respect of the obligations of the tenants, lessees, licensees or other parties under the Letting Documents (including, without limiting the generality of the foregoing, all monies due and owing to FAHHA or which may become due and owing to FAHHA at any time in the future in connection therewith and any rent arrears or service charges due at any time from any tenants, lessees, licensees or other parties under the Letting Documents, regardless of whether such amounts became due before or after the date of this Deed);
- (b) all agreements now or from time to time entered into or to be entered into to enable the charging of the [Fixed]Security Assets and for the sale, letting or other disposal or realisation of the whole or any part of the [Fixed]Security Assets (including, without limiting the generality of the foregoing, all monies due and owing to FAHHA or which may become due and owing to FAHHA at any time in the future in connection therewith) and also, in respect of the Mortgaged Property and other [Fixed]Security Assets, any development agreements, contracts (including, without limitation, building and works contracts) or warranties the benefit of which is or will be vested in FAHHA (so far as such are assignable);
- (c) all agreements, contracts, deeds, licences, undertakings, guarantees, covenants, warranties, representations and other documents (including all documents entered into now or in the future so as to enable FAHHA to perfect its rights under this Deed or any such agreement, contract, deed, licence, undertaking, guarantee, covenant, warranty, representation or other documents) now or hereafter entered into by or given to FAHHA in respect of the Mortgaged Property and all claims, remedies, awards or judgments paid or payable to FAHHA (including, without limitation, all liquidated and ascertained damages payable to FAHHA under the above) in each case relating to the Mortgaged Property;
- (d) all licences held now or in the future in connection with the relevant Mortgaged Property and also the right to recover and receive all compensation which may at any time become payable to FAHHA in relation to the relevant Mortgaged Property;
- (e) all rights and claims to which FAHHA is now or may hereafter become entitled in relation to any development, construction project, redevelopment, refurbishment, repair or improvement of or on the relevant Mortgaged Property;
- (f) all guarantees, warranties, bonds and representations given or made now or hereafter by, and any rights or remedies against, all or any of the designers, builders, contractors, surveyors, valuers, professional advisers, sub-contractors, manufacturers, suppliers and installers of any Fixtures in respect of the relevant Mortgaged Property; and
- (g) all rental income and disposal proceeds in each case relating to the relevant Mortgaged Property which has not been assigned pursuant to Clauses 3.2(a), 3.2(b) or 3.2(c) and the right to make demand for and receive the same,

provided always that:

- (i) until an Enforcement Event or Potential Enforcement Event has occurred and is continuing, FAHHA shall be entitled to exercise its rights under or in connection with the agreements and covenants referred to in Clause 3.2(a), the letting agreements referred to in Clause 3.2(b) and all sale agreements in respect of Right to Buy disposals and Shared Ownership Sales;
- (ii) on payment and discharge of the Secured Obligations the Security Trustee will at the request and cost of the person lawfully requiring the Security Trustee so to do reassign the same and prior to such payment or discharge upon being requested so to do by FAHHA and upon being provided with a full indemnity for its costs, the Security Trustee will either take such steps (including where appropriate the issue of and/or joining to proceedings) as FAHHA may require to enforce the terms of any of the agreements referred to in this Clause 3.2 or, at the option of the Security Trustee, having due regard to the representations made by FAHHA reassign the relevant agreement or the rights of action accrued thereunder to FAHHA to the extent necessary to enable FAHHA to enforce the same; and
- (iii) the Security Trustee shall not give any notice of assignment contained in this Clause 3.2 to any person (other than any landlord of property in respect of which FAHHA is a tenant) unless and until an Enforcement Event or Potential Enforcement Event has occurred and is continuing.

3.3 [Floating Charge

- (a) FAHHA, with full title guarantee, as continuing security for the payment and discharge of all Secured Obligations charges in favour of the Security Trustee as security trustee for the Beneficiaries by way of floating charge the whole of its undertaking and all its property, assets and rights (including any uncalled capital), whatsoever and wheresoever situated, present and future.
- (b) The floating charge created pursuant to Clause 3.3(a) by FAHHA is a "qualifying floating charge" for the purposes of paragraph 14.2(a) of Schedule B1 to the Insolvency Act 1986.
- (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to this Deed and the Security Trustee may appoint an Administrator to FAHHA pursuant to that paragraph to the extent entitled to do so in accordance with the terms of this Deed.
- (d) If, at any time an Enforcement Event has occurred and is continuing, the Security Trustee may, by notice in writing to FAHHA, convert the floating charge granted pursuant to Clause 3.3(a) into a fixed charge and the Security Trustee shall further be entitled (but not bound) to take possession of or appoint a Receiver of such assets.
- (e) Any asset acquired by FAHHA after any crystallisation of the floating charge created under this Deed that, but for that crystallisation, would be subject to a floating charge under this Deed shall be charged to the Security Trustee by way of first fixed charge.³

4 Continuing security, etc

4.1 Notice of charge

³ To be included in first Legal Mortgage only.

The Chargor shall, following the execution of this Legal Mortgage and as so requested by the Security Trustee from time to time:

- (a) give notice to each insurer in respect of the Insurances in the form set out in Part 2 of Schedule 2 (*Notice of Assignment*) to the Security Trust Deed; and
- (b) use all its reasonable endeavours to procure that each insurer in respect of the Insurances promptly provides to the Security Trustee an acknowledgement of the notice in Part 3 of Schedule 2 (*Notice of Assignment*).

4.2 Notices of assignment

Following the occurrence of an Enforcement Event which is continuing unremedied or unwaived FAHHA shall deliver to the Security Trustee (or procure delivery of) a Notice of Assignment duly executed by, or on behalf of, FAHHA in respect of any asset which is the subject of an assignment pursuant to Clause 3.2 (*Assignments*) promptly upon the request of the Security Trustee from time to time and in each case shall use all reasonable endeavours to procure that each such Notice of Assignment is acknowledged by the obligor or debtor specified by the Security Trustee (substantially in the form attached to such Notice of Assignment).

4.3 Continuing security

The security constituted by this Deed shall be continuing and will extend to the ultimate balance of all sums payable by FAHHA under the Relevant Documents, regardless of any intermediate payment or discharge in whole or in part.

4.4 Reinstatement

- (a) Where any discharge (whether in respect of the obligations of FAHHA or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise without limitation, the liability of FAHHA under this Deed shall continue as if the discharge or arrangement had not occurred.
- (b) The Security Trustee may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

4.5 Immediate recourse

Subject to the provisions of the Security Trust Deed, FAHHA waives any right it may have of first requiring the Security Trustee or any Beneficiary to proceed against or enforce any other rights or security or claim payment from any other person before enforcing the security constituted by this Deed.

4.6 Additional security

This Deed is in addition to and is not in any way prejudiced by any other security now or hereafter held by the Security Trustee or any Beneficiary.

5 Representations and warranties

5.1 To whom made

FAHHA makes the representations and warranties set out in Clause 5.2 to the Security Trustee and each Beneficiary.

5.2 Matters represented

- (a) **The Mortgaged Property:** Save as disclosed in the most recent Certificate of Title relating to the Mortgaged Property addressed to the Security Trustee (and where, in respect of any Designated Security, any such disclosures have been accepted by (or on behalf of) the Relevant Beneficiary):
- (i) FAHHA is the legal and beneficial owner of the Mortgaged Property, subject to any Shared Ownership Property arrangements arising under the "Right to Shared Ownership" (as such term is used in Chapter 1 (Shared Ownership) of the Capital Funding Guide) or Right to Buy arrangements;
 - (ii) (while the Mortgaged Property has been owned by FAHHA) planning permission has been obtained or is deemed to have been granted in accordance with statute for the purposes of the Planning Acts and has been complied with in respect to any development and the existing use of the Mortgaged Property and the Planning Acts and all relevant building regulations or previously relevant building bylaws have been complied with in respect of all developments, alterations and improvements to the Mortgaged Property (save where such building regulations or bylaws did not apply to the owner or its predecessors (whether immediate or derivative) at the relevant time) and they have also been complied with in respect of the use of the Mortgaged Property;
 - (iii) there are no covenants, agreements, stipulations, reservations, conditions, interest, rights or other matters whatsoever affecting the Mortgaged Property which materially adversely affect or are reasonably likely to materially adversely affect the value of the Mortgaged Property;
 - (iv) (so far as FAHHA is aware, having made all reasonable enquiries) nothing has arisen or has been created or is subsisting which would be an overriding interest over the Mortgaged Property which materially adversely affects or is reasonably likely to materially adversely affect the value of the Mortgaged Property;
 - (v) no facilities necessary for the enjoyment and use of the Mortgaged Property are enjoyed by the Mortgaged Property on terms entitling any person to terminate or curtail its or their use which materially adversely affects or is reasonably likely to materially adversely affect the value of the Mortgaged Property;
 - (vi) FAHHA has received no notice of any adverse claims by any person in respect of the ownership of the Mortgaged Property or any interest therein, nor has any acknowledgement been given to any person in respect thereof; and
 - (vii) the Mortgaged Property will from the date hereof be free from any tenancies or licences other than those permitted under the Relevant Documents or in the form of an Approved Tenancy Agreement.
- (b) **Security:** Subject to the Reservations and registration at the Land Registry and Companies House, this Deed creates those Security Interests it purports to create ranking as set out above and is not liable to be avoided or otherwise set aside on the liquidation or administration of FAHHA or otherwise.

5.3 Times for making representations and warranties

The representations and warranties set out in this Clause 5 are made on the date of this Deed and are deemed to be repeated on the same date the representations and warranties are repeated under each Relevant Document.

6 Undertakings

6.1 Duration and with whom made

The undertakings in this Clause 6:

- (a) shall remain in force throughout the Security Period; and
- (b) are given by FAHHA to the Security Trustee and each Beneficiary.

6.2 Maintenance of Property

FAHHA will:

- (a) **Repair:** keep the Premises in good and tenantable repair and condition and adequately and properly painted and decorated (or, as applicable, procure the same) and keep the Fixtures and all plant, machinery, implements and other effects for the time being owned by it and which are in or upon the Premises or elsewhere in a good state of repair and in good working order and condition (save for fair wear and tear) except where the Premises are subject to a development, construction, refurbishment, major repair or improvement scheme until the same is completed;
- (b) **Insurance:** maintain insurance (or, as applicable, procure the maintenance of) cover in relation to its assets relating to the Mortgaged Property against such risks and in such amounts as is usual for prudent Registered Providers carrying on activities of the type and scale which are carried on by FAHHA and promptly, on request from the Security Trustee, provide the Security Trustee with copies of all policies and contracts of insurance which relate to the Mortgaged Property or income deriving therefrom together with evidence that those policies and contracts are in full force and effect and comply with the requirements of the Security Documents;
- (c) **Noting of interest:** procure that a note of the Security Trustee's interest (as loss payee) is endorsed upon all policies of insurance relating to the Mortgaged Property (except where the relevant policy or policies are effected in the joint names of FAHHA and the relevant Beneficiaries (and, as appropriate, any third party) or the relevant policy or policies provide for the automatic noting of a mortgagee's interest and FAHHA has provided evidence of this satisfactory to the Security Trustee) which shall at any time during the subsistence of this security be effected, maintained or held by FAHHA, and use its reasonable endeavours to procure that the relevant policy or policies contain provisions that such policy or policies will not be terminated or otherwise allowed to lapse unless 14 days' prior notice is given to the Security Trustee;
- (d) **Maintenance of Insurances:** not do or knowingly permit anything to be done in or upon or relating to the Mortgaged Property or any part thereof which may make void or voidable any Insurance in connection therewith;
- (e) **Premiums:** promptly pay all premiums and do all other things necessary to keep all of the Insurances in force and, promptly on reasonable demand by the Security Trustee,

produce to the Security Trustee the policy, certificate or cover note relating to each Insurance (as requested by the Security Trustee) and of the receipt for the payment of each such premium;

- (f) **Compliance with leases:** pay (if it is the lessee) the rents reserved by and (in any event) perform and observe all the covenants, agreements and stipulations on the part of FAHHA contained in any lease or leases comprised within the Mortgaged Property and not to do or knowingly suffer to be done any act or thing whereby such lease or leases may become liable to forfeiture or otherwise be determined, provided that if a notice pursuant to section 146 of the Law of Property Act 1925 is served on FAHHA, FAHHA shall promptly inform the Security Trustee;
- (g) **Taxes and outgoings:** (save to the extent that payment of the same is being contested in good faith) pay as and when the same shall become payable all Taxes, rates, duties, charges, assessments and outgoings whatsoever (whether parliamentary, parochial, local or of any other description) which shall be assessed, charged or imposed upon or payable in respect of the Mortgaged Property or any part thereof (but not in respect of the occupier thereof where FAHHA is not the occupier);
- (h) **User:** use the Mortgaged Property only for such purpose or purposes as may for the time being be authorised as the permitted use or user thereof under or by virtue of the Planning Acts and not without the prior written consent of the Security Trustee, make any application for planning permission which could reasonably be expected to have an adverse effect on the value of any Mortgaged Property or implement any planning permission so obtained;
- (i) **Notices:** within 7 days after the receipt by FAHHA of any application, requirement, order or notice served or given by any public or local or any other authority in relation to the Mortgaged Property or any part thereof where the cost of compliance with that application, requirement, order or notice when aggregated with others outstanding at that time is in excess of £100,000 (as increased by RPI from the date of this Deed), give written notice thereof to the Security Trustee and also (within 7 days after demand) produce the same or a copy thereof to the Security Trustee and inform it of the steps taken or proposed to be taken to comply with any such requirement thereby made or implicit therein;
- (j) **Statutes:** duly and punctually perform and observe all its obligations in connection with the [Fixed]Security Assets under any present or future statute or any regulation, order or notice made or given thereunder;
- (k) **Development:** not carry out, or permit to be carried out, on any part of the Mortgaged Property except with the previous consent in writing of the Security Trustee any development (within the meaning of that expression in the Planning Acts and being development for which the permission of the local planning authority is required) other than any development approved or contemplated under the Relevant Document (if any);
- (l) **Leases:**
 - (i) not without the previous consent in writing of the Security Trustee grant or agree to grant (whether in exercise or independently of any statutory power) any lease or tenancy of the Mortgaged Property or any part thereof or accept a surrender of any lease or tenancy or confer upon any person any contractual licence or right to occupy the Mortgaged Property other than an Approved Tenancy Agreement or a Management Lease (or on terms which confer no

fewer rights on FAHHA as the lessor or licensor and impose no obligations on FAHHA additional to those set out in an Approved Tenancy Agreement or a Management Lease) and provided, on request by the Security Trustee following the occurrence of an Enforcement Event which is continuing, it notifies the Security Trustee of all leases, tenancies, licences or rights to occupy granted or surrendered by it and if so reasonably requested by the Security Trustee provided it sends a copy thereof to the Security Trustee forthwith upon request;

- (ii) (in accordance with its enforcement and arrears policies as a Registered Provider (which shall be in a form that is in compliance with the Regulatory Framework or other guidance of the Social Housing Regulator)) enforce and not waive or release the covenants, conditions, agreements and obligations contained in or imposed by any of the Letting Documents or any guarantee in respect of the obligations of the tenants, lessees, licensees or other parties thereunder which materially adversely affects or is reasonably likely to materially adversely affect the value of the Mortgaged Property;
 - (iii) not without the prior written consent of the Security Trustee accept or agree to accept the surrender or alteration of any of the Letting Documents which materially adversely affects or is reasonably likely to materially adversely affect the value of the Mortgaged Property and observe and perform all the covenants, conditions, agreements and obligations on its part in all respects (to the extent non-compliance materially adversely affects or is likely to materially adversely affect the value of the Mortgaged Property or the ability of FAHHA to perform its obligations under the Relevant Document); and
 - (iv) at any time after an Enforcement Event has occurred and is continuing after the expiry of any applicable grace period during which the Enforcement Event has not been remedied and upon the request of the Security Trustee, issue irrevocable instructions to the other parties to any Letting Document to pay rents and sums due under any Letting Document to the Security Trustee or into such accounts as the Security Trustee may require.
- (m) **Deposit of title deeds:** subject to the Relevant Documents, deposit with the Security Trustee all deeds and documents of title relating to the [Fixed]Security Assets (and it is hereby agreed that the Security Trustee shall be entitled to hold the same during the Security Period) except to the extent that such deeds and documents are held electronically at the Land Registry and except to the extent that any such [Fixed]Security Assets are released by the Security Trustee pursuant to the terms of the Relevant Documents;
- (n) **Access:** duly and punctually perform and observe all covenants and stipulations (restrictive or otherwise) affecting all or any part of the Mortgaged Property and indemnify the Security Trustee and each Beneficiary in respect of any breach thereof, provide the Security Trustee with such information as it may reasonably require regarding FAHHA's compliance with this Deed, and permit (so far as it is lawful and subject to the relevant tenant's rights) the Security Trustee and any person nominated by it at all reasonable times (provided that reasonable notice has been given by the Security Trustee to FAHHA) to enter upon the Mortgaged Property and view the state of the same;
- (o) **Investigation of title:** after the occurrence of an Enforcement Event which is continuing and which is not remedied within any applicable grace period or an event which the

Security Trustee reasonably believes is a Potential Enforcement Event which is continuing, grant the Security Trustee or its lawyers on request all such facilities within the power of FAHHA to enable such lawyers to carry out investigations of title to the Mortgaged Property and other property which is or may be subject to this security and enquiries into matters in connection therewith as may be carried out by a prudent mortgagee. Such investigations and enquiries shall be at the expense of FAHHA;

- (p) **Report on title:** after the occurrence of an Enforcement Event which is continuing and which is not remedied within any applicable grace period or an event which the Security Trustee reasonably believes is a Potential Enforcement Event which is continuing and only to the extent that no investigation of title has been conducted pursuant to Clause 6.2(o), provide the Security Trustee promptly following a request from the Security Trustee with a solicitor's report (acting reasonably) in a form acceptable to the Security Trustee as to the title of FAHHA to the Mortgaged Property and other property which is or may be subject to this security and related matters concerning the items which a prudent mortgagee would properly require in a solicitor's report of this nature;
- (q) **Authorisations:** if so requested by the Security Trustee, obtain any material authorisation or material licence required in order to enable the Security Trustee pursuant to the powers of enforcement conferred on it by the Security Documents to sell vacant Mortgaged Property and comply with any local land charges, covenants (leasehold or otherwise) or restrictive covenants relating to such Mortgaged Property which are binding on it; and
- (r) **Energy performance:**
 - (i) carry out any energy efficiency improvements necessary, or take any other steps necessary, to ensure that at all times each part of its Mortgaged Property which is designed to be let can be let or can continue to be let without breaching any applicable laws or regulations in respect of minimum levels of energy efficiency for properties; and
 - (ii) promptly following a request by the Security Trustee, provide to the Security Trustee a copy of the current energy performance certificate(s) in respect of each Mortgaged Property or evidence that an energy performance certificate is not required under any applicable law or regulation,

provided that nothing in this Clause 6.2 shall require or oblige FAHHA to do or procure to be done anything which is inconsistent with, or contrary to, the terms of any lease or leases under which FAHHA holds any part or parts of the Mortgaged Property.

6.3 Negative pledge and disposals

- (a) FAHHA shall not create or permit to subsist any Security Interest on any of the [Fixed] Security Assets or any income derived therefrom save as permitted under the terms of the Relevant Documents (including, for the avoidance of doubt, pursuant to the Floating Charge).
- (b) FAHHA shall not sell, transfer, grant or lease or otherwise dispose of all or any part of the [Fixed] Security Assets or any income derived therefrom save as permitted under the Security Trust Deed or the Relevant Documents.

7 Power to remedy

In case of default by FAHHA in repairing or keeping in repair or insuring the Mortgaged Property or any part thereof or in observing or performing any of the covenants or stipulations affecting the same, FAHHA will permit the Security Trustee or its agents and contractors to enter on the Mortgaged Property and to comply with or object to any notice served on FAHHA in respect of the Mortgaged Property and to effect such repairs or insurance or generally do such things or pay all such costs, charges and expenses as the Security Trustee may reasonably consider necessary or desirable to prevent or remedy any breach of covenant or stipulation or to comply with or object to any notice. FAHHA will indemnify and keep the Security Trustee indemnified against all losses, costs, charges and expenses properly incurred in connection with the exercise of the powers contained in this Clause 7.

8 When security becomes enforceable

The security hereby conferred shall become immediately enforceable and the power of sale and other powers conferred by section 101 of the Law of Property Act 1925 as varied or amended by this Deed shall be immediately exercisable upon and after an Enforcement Event has occurred and is continuing (and has not been remedied within any applicable grace period). After the security constituted hereby has become enforceable, the Security Trustee may enforce all or any part of such security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of such security subject to the terms of the Relevant Documents.

9 Enforcement of security

For the purposes of all powers implied by statute the Secured Obligations shall be deemed to have become due and payable on the date hereof and section 93 of the Law of Property Act 1925 (restricting the right of consolidation) and section 103 of the Law of Property Act 1925 (restricting the power of sale) shall not apply to this security. The statutory powers of leasing conferred on the Security Trustee shall be extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee shall think fit and without the need to comply with any of the provisions of sections 99 and 100 of that Act.

10 Receiver

10.1 Appointment of a Receiver

- (a) At any time after this security becomes enforceable or if FAHHA so requests the Security Trustee in writing at any time, the Security Trustee may without further notice appoint under seal or in writing under its hand any one or more qualified persons to be a Receiver of all or any part of the Security Assets in like manner in every respect as if the Security Trustee had become entitled under the Law of Property Act 1925 to exercise the power of sale thereby conferred.
- (b) In this Clause 10, **qualified person** means a person who, under the Insolvency Act 1986, is qualified to act as a Receiver of the property of any company with respect to which he is appointed.

10.2 Powers of a Receiver

In addition to those conferred by the Law of Property Act 1925 on any Receiver appointed under that Act, every Receiver appointed in accordance with Clause 10.1 shall have and be entitled

to exercise all of the powers set out below. The powers referred to above are (in each case to the extent permitted by law):

- (a) **Take possession:** to take immediate possession of, get in and collect the Security Assets or any part thereof;
- (b) **Protection of assets:** to make and effect all repairs and Insurances and do all other acts which FAHHA might do in the ordinary conduct of its business as well for the protection as for the improvement of the Security Assets and to commence and/or complete any building operations on the Mortgaged Property and to apply for and maintain any planning permissions, building regulation approvals and any other permissions, consents or licences, in each case as he may in his absolute discretion think fit;
- (c) **Borrow money:** for the purpose of exercising any of the powers, authorities and discretions conferred on him by or pursuant to this Deed and/or of defraying any costs, charges, losses or expenses (including his remuneration) which shall be incurred by him in the exercise thereof or for any other purpose, to raise and borrow money either unsecured or on the security of the Security Assets or any part thereof either in priority to the security constituted by this Deed or otherwise and generally on such terms and conditions as he may think fit and no person lending such money shall be concerned to enquire as to the propriety or purpose of the exercise of such power or to see to the application of any money so raised or borrowed;
- (d) **Sell assets:** to sell, exchange, convert into money and realise all or any part of the Security Assets by public auction or private contract and generally in such manner and on such terms as he shall think proper. Without prejudice to the generality of the foregoing he may do any of these things for a consideration consisting of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as he may think fit. Fixtures, other than landlords fixtures, may be severed and sold separately from the property containing them without the consent of FAHHA;
- (e) **Leases:** to let all or any part of the Security Assets for such term and at such rent (with or without a premium) as he may think proper and to accept a surrender of any lease or tenancy thereof on such terms as he may think fit (including the payment of money to a lessee or tenant on a surrender);
- (f) **Compromise:** to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of FAHHA in relation to the Security Assets or any part thereof;
- (g) **Legal actions:** to bring, prosecute, enforce, defend and abandon all such actions, suits and proceedings in relation to the Security Assets or any part thereof as may seem to him to be expedient;
- (h) **Receipts:** to give valid receipts for all monies and execute all assurances and things which may be proper or desirable for realising the Security Assets;
- (i) **Insolvency Act 1986:**
 - (i) all the powers (as varied and extended by the provisions of this Deed) conferred by the Insolvency Act 1986 on mortgagees in possession, Administrators, Receivers and Administrative Receivers (each as defined therein); and

- (ii) to do all such other acts and things as any Receiver may consider desirable or necessary for realising the Security Assets or any part thereof or incidental or conducive to any of the matters, powers or authorities conferred on a Receiver under or by virtue of this Deed and to exercise in relation to the Security Assets or any part thereof all such powers, authorities and things as he would be capable of exercising if he were the absolute beneficial owner of the same and to use the name of FAHHA for all or any of such purposes;
- (j) **Building work:** to demolish, alter, improve, develop, complete, construct, modify or refurbish the whole or any part of the Mortgaged Property and the Fixtures thereon and to complete or undertake or concur in the completion or undertaking of any approved development (with or without modification) and any other project in which FAHHA was concerned or interested in prior to his appointment being a project for the demolition, alteration, improvement, development, completion, construction, modification, rebuilding or reinstatement, refurbishment or repair of the Mortgaged Property (or any part thereof) and the Fixtures and in particular (without prejudice to the generality of the foregoing) to carry out and complete such approved development;
- (k) **Repairs:** to undertake, effect or complete any work of repair, maintenance, modification, redecoration, improvement, fitting out and furnishing of the Mortgaged Property or any part thereof;
- (l) **Planning and environment:** to apply for and obtain any planning permissions, building regulation approvals, environmental permits and any other permissions, consents or licences in relation to the Security Assets or any part thereof;
- (m) **Services:** to provide all services (including, without limitation, heating, lighting and cleansing) which may be deemed expedient in relation to the occupation or management of the Mortgaged Property;
- (n) **Contracts:** to enter into, perform, repudiate, rescind, vary, modify, assign, sub-let or novate any contract or agreement, option agreement, agreement for lease, building contract or professional appointment or otherwise for or which relates in any way to the Security Assets and to appoint, hire and employ and remunerate such contractors, advisers, professionals, agents, servants, attendants, managers, officers, workmen and others upon such terms and at such salaries, fees or remuneration and generally in such manner as he shall think fit and to discharge such persons;
- (o) **Acquire additional property:** to acquire any interest in any real or personal property which he may consider necessary or desirable to acquire in order to maintain or enhance the value of the Security Assets or any part thereof and to grant or surrender, easements, covenants and licences and to make exchanges and to enter into any agreements for the revision of boundaries; and
- (p) **General powers:** to do all such other acts and things as he may consider necessary or desirable for realising the Security Assets or any part thereof or incidental or conducive to any of the matters, powers or authorities conferred on a Receiver under or by virtue of this Deed, to exercise in relation to the Security Assets or any part thereof all such powers, authorities and things as he would be capable of exercising if he were the absolute beneficial owner of the same and to use the name of FAHHA for all or any of such purposes.

10.3 Removal and remuneration

The Security Trustee may from time to time 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 may deem it expedient, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated and may from time to time fix the remuneration of any Receiver appointed by it. The Security Trustee will consider any request from FAHHA to remove a Receiver provided FAHHA can show, to the reasonable satisfaction of the Security Trustee, that failure to remove such Receiver would be prejudicial to the proper realisation or disposal of FAHHA's assets or that the specific Receiver in carrying out his appointment hereunder (and not, for the avoidance of doubt, the actual appointment of any Receiver), is prejudicing FAHHA's registration with the Social Housing Regulator.

10.4 Security Trustee may exercise

To the fullest extent permitted by law, all or any of the powers, authorities and discretions which are conferred by this Deed (either expressly or impliedly) upon a Receiver of the Security Assets may be exercised after the security hereby created becomes enforceable by the Security Trustee in relation to the whole of such Security Assets or any part thereof without first appointing a Receiver of such property or any part thereof or notwithstanding the appointment of a Receiver of such property or any part thereof.

11 Application of proceeds

Any monies received by the Security Trustee or by any Receiver appointed by it pursuant to this Deed and/or under the powers hereby conferred shall, after the security hereby constituted shall have become enforceable but subject to the payment of any claims having priority to this security and to the Security Trustee's and such Receiver's rights under Clause 10 (*Receiver*) be applied by the Security Trustee in accordance with Clause 7 (*Application of Proceeds*) of the Security Trust Deed.

12 No liability as mortgagee in possession

The Security Trustee shall not nor shall any Receiver appointed as aforesaid by reason of it or the Receiver entering into possession of the Security Assets or any part thereof be liable to account as mortgagee in possession or be liable for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable. Every Receiver duly appointed by the Security Trustee under the powers in that behalf herein contained shall be deemed to be the agent of FAHHA for all purposes and shall as such agent for all purposes be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Law of Property Act 1925. FAHHA alone shall be responsible for his contracts, engagements, acts, omissions, defaults and losses, liabilities incurred by him and for the payment of his remuneration, and neither the Security Trustee nor any Beneficiary shall incur any liability therefor (either to FAHHA or to any other person whatsoever) by reason of the Security Trustee's making his appointment as such Receiver or for any other reason whatsoever. Every such Receiver and the Security Trustee shall be entitled to all the rights, powers, privileges and immunities by such Act conferred on mortgagees and receivers when such receivers have been duly appointed under such Act but so that section 103 of that Act shall not apply.

13 Protection of third parties

No purchaser, mortgagee or other person or company dealing with the Security Trustee or the Receiver or its or his agents shall be concerned to enquire whether the Secured Obligations

have become payable or whether any power which the Receiver is purporting to exercise has become exercisable or whether any money remains due under the Relevant Documents or to see to the application of any money paid to the Security Trustee or to such Receiver.

14 Expenses

All costs, charges and expenses properly incurred and all payments made by the Security Trustee or any Receiver appointed hereunder in the lawful exercise of the powers hereby conferred whether or not occasioned by any act, neglect or default of FAHHA shall carry interest (as well after as before judgment) at a rate equal to 2 per annum over the highest interest rate for the time being payable under any of the Relevant Documents (or in the case of the Security Trustee, 2% per annum over the base lending rate of HSBC Bank plc from time to time) from the date of the same being incurred or becoming payable by FAHHA until the date the same are unconditionally and irrevocably paid and discharged in full. The amount of all such costs, charges, expenses and payments and all such interest thereon and all remuneration payable hereunder shall be payable by FAHHA on demand in accordance with the Security Trust Deed.

15 Indemnity

The Security Trustee and the Relevant Beneficiaries and every Receiver, attorney, manager, agent or other person appointed by the Security Trustee hereunder shall be entitled to be indemnified out of the Security Assets in respect of all liabilities and expenses properly incurred by them in the execution or purported execution of any of the rights, powers, authorities or discretions vested in them pursuant hereto and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Security Assets and the Security Trustee, the Relevant Beneficiaries and any Receiver may retain and pay all sums in respect of the same out of any monies received under the powers hereby conferred.

16 Delegation by the Security Trustee and Receiver

The Security Trustee may at any time and from time to time delegate by power of attorney or in any other manner to any person or persons all or any of the rights, powers, authorities and discretions which are for the time being exercisable by the Security Trustee or any Receiver under this Deed in relation to the Security Assets or any part thereof. Any such delegation may be made upon such terms and subject to such regulations as the Security Trustee or any Receiver may think fit. Neither the Security Trustee nor any Receiver shall be in any way liable or responsible to FAHHA for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate (provided it acted properly in the appointment of the same).

17 Further assurances

17.1 Statutory covenant

The obligations of FAHHA set out in Clause 17.2 shall be in addition to and not in substitution for the covenants for further assurance deemed to be included herein by virtue of section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994.

17.2 General

FAHHA shall at its own expense execute and do all such assurances, acts and things as the Security Trustee may require for perfecting or protecting the security intended to be created hereby over the Security Assets or any part thereof or for facilitating the realisation of the

Security Assets or any part thereof and in the exercise of all rights, powers, authorities and discretions vested in the Security Trustee or any Receiver of the Security Assets or any part thereof or in any such delegate or sub-delegate as aforesaid. To that intent, FAHHA shall, in particular, execute all transfers, conveyances, assignments (whether legal or equitable) and assurances of such property whether to the Security Trustee or to its nominees and give all notices, orders and directions and make all registrations which the Security Trustee may reasonably think necessary and obtain all necessary consents to procure the registration of this Deed at the Land Registry.

17.3 Legal charge

Without prejudice to the generality of Clauses 17.1 and 17.2, FAHHA will forthwith at the request of the Security Trustee execute a legal mortgage, charge or assignment over all or any of the [Fixed]Security Assets subject to or intended to be subject to any fixed security hereby created in favour of the Security Trustee (as trustee as aforesaid) in such form as the Security Trustee may reasonably require.

17.4 Consents

FAHHA shall use all reasonable endeavours to obtain (in form and content satisfactory to the Security Trustee) as soon as possible any consents necessary to enable the assets of FAHHA purported to be so charged or assigned to be the subject of an effective fixed charge or assignment pursuant to Clause 3 (*Charging provisions*) and, immediately upon obtaining any such consent, the asset concerned shall become subject to such security and FAHHA shall promptly deliver a copy of each consent to the Security Trustee.

17.5 Implied covenants for title

The obligations of FAHHA under this Deed shall be in addition to the covenants for title deemed to be included in this Deed by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994.

18 Redemption of prior mortgages

The Security Trustee may, at any time after the security hereby constituted has become enforceable, redeem any prior Security Interest against the Security Assets or any part thereof or procure the transfer thereof to themselves and may settle and pass the accounts of the prior mortgagee, chargee or encumbrancer. Any accounts so settled and passed shall be conclusive and binding on FAHHA save for manifest error. All principal monies, interest, costs, charges and expenses of and incidental to such redemption and transfer shall be paid by FAHHA to the Security Trustee on demand.

19 Power of attorney

19.1 Appointment

FAHHA hereby by way of security and in order more fully to secure the performance of its obligations hereunder irrevocably appoints the Security Trustee and every Receiver of the Security Assets or any part thereof appointed hereunder and every such delegate or sub-delegate as aforesaid to be its attorney (with full power of substitution) acting severally, and on its behalf and in its name or otherwise (at any time after the occurrence of an Enforcement Event which is continuing) to execute and do all such assurances, acts and things which FAHHA ought to do under the covenants and provisions contained in this Deed (including, without limitation, to make any demand upon or to give any notice or receipt to any person owing monies

to FAHHA and to execute and deliver any charges, legal mortgages, assignments or other security and any transfers of securities) and generally in its name and on its behalf to exercise all or any of the rights, powers, authorities and discretions conferred by or pursuant to this Deed or by statute on the Security Trustee or any such Receiver, delegate or sub delegate and (without prejudice to the generality of the foregoing) to seal and deliver and otherwise perfect any deed, assurance, agreement, instrument or act which it or he may reasonably deem proper in or for the purpose of exercising any of such rights, powers, authorities and discretions.

19.2 Ratification

FAHHA hereby agrees to ratify and confirm whatever any such attorney as is mentioned in Clause 19.1 shall do or purport to do in good faith in the exercise or purported exercise of all or any of the rights, powers, authorities and discretions referred to in such.

20 New accounts

If the Security Trustee or any Beneficiary receives or is deemed to be affected by notice whether actual or constructive of any subsequent charge or other interest affecting any part of the Security Assets and/or the proceeds of sale thereof, the Security Trustee or such Beneficiary may open a new account or accounts with FAHHA. If the Security Trustee or such Beneficiary (as the case may be) does not open a new account it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice and as from that time all payments made to the Security Trustee or such Beneficiary shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount for which this Deed is security.

21 Stamp duties

FAHHA shall pay and, forthwith on demand, indemnify the Security Trustee and each Beneficiary against any liability it incurs in respect of any stamp, registration and similar Tax which is or becomes payable in connection with the entry into, performance or enforcement of this Deed.

22 Perfection of security

FAHHA shall be bound by and hereby irrevocably authorises the Security Trustee to execute on its behalf any document required to perfect the security granted to the Beneficiaries pursuant to the Relevant Documents.

23 Waivers, remedies cumulative

23.1 The rights of the Security Trustee and each Beneficiary under this Deed:

- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of its rights under general law; and
- (c) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any such right is not a waiver of that right.

23.2 The Security Trustee may waive any breach by FAHHA of any of FAHHA's obligations under the Relevant Documents.

24 Set-off

The Security Trustee and each Beneficiary may (to the extent that the same is beneficially owned by it) set-off any matured obligation due from FAHHA under the Relevant Documents against any matured obligation owed by the Security Trustee or such Beneficiary (as the case may be) to FAHHA, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Trustee or such Beneficiary (as the case may be) may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

25 Time deposits

Without prejudice to Clause 24 (*Set-off*), if any time deposit matures on any account FAHHA has with the Security Trustee or any Relevant Beneficiary at a time within the Security Period when:

- (a) this security has become enforceable; and
- (b) no amount of the Secured Obligations is due and payable,

such time deposit shall automatically be renewed for such further maturity as the Security Trustee or such Beneficiary in its absolute discretion considers appropriate unless the Security Trustee or such Beneficiary (as the case may be) otherwise agrees in writing.

26 Severability

If a provision of this Deed is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this Deed; or
- (b) the legality, validity or enforceability in any other jurisdiction of that or any other provision of this Deed.

27 Counterparts

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

28 Notices

Any communication under or in connection with this Deed or any other Security Interest or Relevant Document created by or under this Deed, shall be made and given in accordance with the terms of Clause 13 (*Notices*) of the Security Trust Deed.

29 Provisions as to security

29.1 Land registration

FAHHA hereby consents to the lodgement at the Land Registry of an application by or on behalf of the Security Trustee for the entry of the following restriction in the Proprietorship Register of any property which is, or is required to be, registered forming part of the Mortgaged Property:

"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 [the date of this Deed] in favour of The Law Debenture Trust Corporation p.l.c. referred to in the charges register."

Promptly following notification from the Chargor that it has granted a Management Lease, the Security Trustee will promptly issue a letter of consent addressed to the Land Registry in respect of the relevant Mortgaged Property confirming its consent to the grant and registration at the Land Registry of the Management Lease, as required by the restriction wording above.

29.2 Further advances

- (a) Subject to the terms of the Relevant Documents, certain Beneficiaries are under an obligation to make further advances to FAHHA in accordance with the terms of their respective Relevant Documents.
- (b) For the purposes of section 94(1)(c) of the Law of Property Act 1925, section 49(3) of the Land Registration Act 2002 and Rule 108 of the Land Registration Rules 2003, the obligation on the relevant Beneficiaries to make further advances will be deemed to be incorporated in this Deed as if the same were set out in this Deed.
- (c) For the purposes of the Land Registration Rules 2003 and section 49(3) of the Land Registration Act 2002, FAHHA hereby consents to the lodgement at the Land Registry of an application by or on behalf of the Security Trustee for the entry of a note of the obligation to make further advances on the Charges Register of any registered land forming part of the Mortgaged Property.

29.3 Certification

FAHHA hereby certifies that the security created by this Deed does not contravene any of the provisions of the Companies Act 2006, any other relevant law or regulation applicable to FAHHA or the memorandum and articles of association of FAHHA.

29.4 Implied terms

The covenants set out in sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clause 3 (*Charging provisions*). It shall be implied in respect of Clause 3 (*Charging provisions*) that FAHHA is disposing of the [Fixed]Security Assets free from all charges and encumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

30 Further representation and warranty

FAHHA hereby warrants that the Mortgaged Property comprises the same properties as have been valued for the benefit of the Relevant Beneficiaries, copies of which valuation have been provided to the Relevant Beneficiaries.

31 Release

Upon the expiry of the Security Period, the Security Trustee shall, at the request and properly incurred cost of FAHHA (and without recourse, representation or warranty), take whatever action is necessary to release and to reassign to FAHHA the Security Assets from the security constituted by this Deed.

32 Governing law

This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, the laws of England.

33 Jurisdiction of courts of England

- 33.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a **Dispute**).
- 33.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- 33.3 This Clause 33 is for the benefit of the Security Trustee. As a result, the Security Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

In witness whereof this Deed has been duly executed as a deed but not delivered until the date first above written.

Schedule 1

Mortgaged Property

All the land and buildings contained in and (save where expressly stated otherwise) comprising the whole of the title number set out in the table below and including all of the dwellings specified in such table:

-

Schedule 2

Notices and Acknowledgements

Part 1 Notice of Assignment

To: •

Dated: •

Notice of assignment

We hereby give notice that by a legal mortgage dated • made between Funding Affordable Homes Housing Association Limited (**FAHHA**) and The Law Debenture Trust Corporation p.l.c. as security trustee (the **Security Trustee**) (the **Charge**), FAHHA assigned to the Security Trustee as Security Trustee for and on behalf of itself and the Beneficiaries (as defined in the Charge) from time to time all its rights, title and interest in [*describe assigned assets*] (the **Assigned Assets**) as security for the payment of all Secured Obligations (as defined in the Charge).

By signing and returning to the Security Trustee the additional copy of this notice, please acknowledge notice of the Charge and confirm and agree that:

- 1 you have not received notice of any previous assignment, charge, lien or other security interest of or affecting the Assigned Assets;
- 2 all monies due or to become due from you to FAHHA under the Assigned Assets shall be paid to FAHHA's account with • (account number: •; sort code: •) or to such other account as the Security Trustee may notify you in writing and without set-off or counterclaim save as provided in the Assigned Assets; and
- 3 you will not without prior written consent of the Security Trustee determine or amend the Assigned Assets.

Until the Security Trustee shall serve written notice to the contrary, FAHHA shall be entitled, subject to the provisions of this notice, to exercise its rights under the Assigned Assets.

Yours faithfully

.....
Duly authorised signatory
for and on behalf of
Funding Affordable Homes Housing Association Limited

To: **The Law Debenture Trust Corporation p.l.c.**
(in its capacity as Security Trustee for the Beneficiaries);

and

To: •

Acknowledgement

We hereby confirm and agree to the terms set out above.

..... Dated:

Duly authorised signatory
for and on behalf of

•

Part 2- Form of notice – Insurances

To: [insurance company]
cc: The Law Debenture Trust Corporation p.l.c. (the **Security Trustee**)
From: Funding Affordable Homes Housing Association Limited (the **Chargor**)
Date: [•]

Dear Sirs,

Legal Mortgage dated [•] between the Chargor and the Security Trustee (the Legal Mortgage)

- 1 We give you notice that we have charged to the Security Trustee for and on behalf of the Secured Parties (as defined therein) under the Legal Mortgage all of our right, title and interest in and to the following policies:

[Details of policies] (the **Insurance Policies**).

- 2 The term **Insurance Policies**, as used in this notice and the enclosed acknowledgment of this notice, includes any renewal (annual or otherwise) of the Insurance Policies.

- 3 We further notify you that:

- (a) you may continue to deal with the Chargor in relation to the Insurance Policies until you receive written notice to the contrary from the Security Trustee (where the Security Interests created under the Legal Mortgage have become enforceable). Thereafter the Chargor will cease to have any right to deal with you in relation to the Insurance Policies and therefore from that time you should deal only with the Security Trustee;
- (b) you are authorised to disclose information in relation to the Insurance Policies to the Security Trustee upon its reasonable request;
- (c) following notice from the Security Trustee that the Security Interests created under the Legal Mortgage have become enforceable, you must hold all sums from time to time due and payable by you to the Chargor under the Insurance Policies to the order of the Security Trustee;
- (d) you will pay or release all monies to which the Chargor is entitled under the Insurance Policies to the Chargor until the Security Trustee directs otherwise (where the Security Interests created under the Legal Mortgage have become enforceable);
- (e) the provisions of this notice may only be revoked with the written consent of the Security Trustee; and
- (f) the Chargor will remain liable to perform all its obligations under the Insurance Policies and neither the Security Trustee nor any receiver, delegate or sub-delegate appointed by it shall have any liability under the Insurance Policies.

- 4 Please sign and return the enclosed acknowledgment of this notice to the Security Trustee (with a copy to the Issuers) by way of confirmation that:

- (a) you agree to the terms set out in this notice and to act in accordance with its provisions;

- (b) you have not received notice that the Chargor has assigned its rights under the Insurance Policies to a third party or created any other interest (whether by way of security or otherwise) in the Insurance Policies in favour of a third party; and
- (c) you will pay any sums payable to the Chargor or any other person under or pursuant to the Insurance Policies in accordance with this notice.

5 This letter is governed by English law.

Yours faithfully

for and on behalf of
Funding Affordable Homes Housing Association Limited

Part 3- Form of acknowledgement – Insurances

To: The Law Debenture Trust Corporation p.l.c. (the **Security Trustee**)
cc: Funding Affordable Homes Housing Association Limited (the **Chargor**)
From: *[insurance company]*
Date: [●]

Dear Sirs,

Legal Mortgage dated [●] between the Chargor and the Security Trustee (the Legal Mortgage)

- 1 We refer to a notice of charge from the Chargor dated [●] in connection with the Legal Mortgage (the **Notice**) and to the following insurance policies held with us:

[insert details]
- 2 At the request of the Chargor we acknowledge receipt of the Notice.
- 3 This letter is governed by English law.

Yours faithfully

for and on behalf of
[insurance company]

EXECUTION PAGE OF THE LEGAL MORTGAGE

FAHHA

Executed as a deed by)
Funding Affordable Homes Housing) Director
Association Limited)
acting by two directors or by a director and its)
secretary) Director/Secretary

Security Trustee

Executed and delivered as a deed by)
The Law Debenture Trust Corporation p.l.c.)
acting by two directors/a director and a) Director
secretary representing Law Debenture)
Corporate Services Ltd)
Authorised signatory
representing Law Debenture Corporate
Services Ltd

EXECUTION PAGE OF THIS SECURITY TRUST DEED

FAHHA

Executed as a deed by
**Funding Affordable Homes Housing
Association Limited**
acting by two directors or by a director and its
secretary

)
) Director
)
)
) Director/Secretary



Security Trustee


Executed and delivered as a deed by
The Law Debenture Trust Corporation p.l.c.
acting by two directors/a director and a
secretary representing Law Debenture
Corporate Services Ltd

)
)
) Director
)
)



Authorised signatory
representing Law Debenture Corporate
Services Ltd

EXECUTION PAGE OF THIS SECURITY TRUST DEED

FAHHA

Executed as a deed by) 
Funding Affordable Homes Housing) Director
Association Limited)
acting by two directors or by a director and its)
secretary) Director/Secretary

Security Trustee

Executed and delivered as a deed by) 
The Law Debenture Trust Corporation p.l.c.)
acting by two directors/a director and a) Director
secretary representing Law Debenture)
Corporate Services Ltd) 
Authorized signatory
representing Law Debenture Corporate
Services Ltd

Purchaser

Executed as a deed for and on behalf of
Deutsche Bank AG
acting by its attorneys
in the presence of

)
)
)
)

Attorney

Signature of witness

Name

ALEX O'BRIEN

Address

Email

Attention: ALEX O'BRIEN

Attorney

Signature of witness

Name

DMITRY BUYANOVSKY

Address

Email

Attention: DMITRY BUYANOVSKY

Notices:

Address: Deutsche Bank AG
c/o Deutsche Bank AG, London Branch
1 Great Winchester Street
London EC2N 2DB

Telephone: 0207 545 8000

Email: viktor.mirkin@db.com; robin.thompson@db.com; dmitry.buyanovsky@db.com;
alex.o-brien@db.com; aaron.myles@db.com

FAO: Viktor Mirkin / Robin Thompson / Dmitry Buyanovsky / Alex O'Brien / Aaron Myles