

AMENDED AND RESTATED SECURITY TRUST DEED

Dated 10 May 2017

Between

WHEATLEY FUNDING NO. 1 LIMITED
as Group Borrower

THE GLASGOW HOUSING ASSOCIATION LIMITED
CUBE HOUSING ASSOCIATION LIMITED
WEST LOTHIAN HOUSING PARTNERSHIP LIMITED
LORETTO HOUSING ASSOCIATION LIMITED
DUNEDIN CANMORE HOUSING LIMITED
BARONY HOUSING ASSOCIATION LIMITED
as Original Guarantors

WHEATLEY GROUP CAPITAL PLC
EUROPEAN INVESTMENT BANK
NATIONWIDE BUILDING SOCIETY
THE ROYAL BANK OF SCOTLAND PLC
BANK OF SCOTLAND PLC
as Original Lenders

THE ROYAL BANK OF SCOTLAND PLC
as Restated Syndicated Loan Agent

THE ROYAL BANK OF SCOTLAND PLC
as Overdraft Bank

THE SCOTTISH MINISTERS
as Grant Provider

and

PRUDENTIAL TRUSTEE COMPANY LIMITED
as Security Trustee

amending and restating the Security Trust Deed entered into on 17th November,
2014 and amended and restated on 28th November, 2014.

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THIS SECURITY TRUST DEED is dated 10 May
BETWEEN:

2017

- (1) **PRUDENTIAL TRUSTEE COMPANY LIMITED**, a company incorporated under the laws of England and Wales, whose registered office is at Laurence Pountney Hill, London EC4R 0HH with registered number 1863305 as security trustee (the **Security Trustee**, which expression shall wherever the context so admits, include any such company and all other persons or companies for the time being the trustee or trustees of these presents) as security trustee for the Beneficiaries referred to below;
- (2) **WHEATLEY FUNDING NO. 1 LIMITED**, a company limited by guarantee under the Companies Act 2006 (registered number SC469961) with its registered office at Wheatley House, 25 Cochrane Street, Glasgow G1 1HL (the **Group Borrower**);
- (3) **THE GLASGOW HOUSING ASSOCIATION LIMITED**, a charitable registered social landlord registered as a registered society under the Co-operative and Community Benefit Societies Act 2014 (registered number 2572RS) with its registered office at Wheatley House, 25 Cochrane Street, Glasgow G1 1HL (**GHA**);
- (4) **CUBE HOUSING ASSOCIATION LIMITED**, a charitable registered social landlord registered as a registered society under the Co-operative and Community Benefit Societies Act 2014 (registered number 2327RS) with its registered office at Wheatley House, 25 Cochrane Street, Glasgow G1 1HL (**Cube**);
- (5) **WEST LOTHIAN HOUSING PARTNERSHIP LIMITED**, a charitable registered social landlord registered as company limited by guarantee under the Companies Act 2006 (registered number SC188968) with its registered office at Wheatley House, 25 Cochrane Street, Glasgow G1 1HL (**WLHP**);
- (6) **LORETTO HOUSING ASSOCIATION LIMITED** a charitable registered social landlord registered as a registered society under the Co-operative and Community Benefit Societies Act 2014 (registered number 1920RS) with its registered office at 2nd Floor, Lipton House, 170 Crown Street, Glasgow G5 9DX (**Loretto**);
- (7) **DUNEDIN CANMORE HOUSING LIMITED** a charitable registered social landlord registered as a registered society under the Co-operative and Community Benefit Societies Act 2014 (registered number SP1823RS) with its registered office at 8 New Mart Road, Edinburgh, EH14 1RL (**Dunedin**);
- (8) **BARONY HOUSING ASSOCIATION LIMITED** a charitable registered social landlord registered as a registered society under the Co-operative and Community Benefit Societies Act 2014 (registered number SP1684RS) with its registered office at Canal Court, 40 Craiglockhart Avenue, Edinburgh, EH14 1LT (**Barony** and, together with GHA, Cube, WLHP, Loretto and Dunedin, the **Original Guarantors**);

- (9) **WHEATLEY GROUP CAPITAL PLC**, a public limited company incorporated in Scotland with registered number SC477446, whose registered office is at Wheatley House, 25 Cochrane Street, Glasgow G1 1HL (the **Bond Issuer**);
- (10) **EUROPEAN INVESTMENT BANK**, 100 Boulevard Konrad Adenauer, L-2950 Luxembourg (**EIB**);
- (11) **NATIONWIDE BUILDING SOCIETY**, Commercial Division, Kings Park Road, Moulton Park, Northampton NN3 6NW (**Nationwide**);
- (12) **THE ROYAL BANK OF SCOTLAND PLC**, Commercial & Private Banking, Kirkstane House, 139 St. Vincent Street, Glasgow G2 5JF (**RBS**);
- (13) **BANK OF SCOTLAND PLC**, 3rd Floor, 25 Gresham Street, London EC2V 7HN (**Bank of Scotland** and, together with the Bond Issuer, EIB, Nationwide and RBS, the **Original Lenders**);
- (14) **THE ROYAL BANK OF SCOTLAND PLC**, Syndicated Loans Agency, Commercial & Private Banking, 250 Bishopsgate, London EC2M 4AA, in its capacity as agent under the Restated Syndicated Loan Agreement (the **Restated Syndicated Loan Agent**);
- (15) **THE ROYAL BANK OF SCOTLAND PLC**, Commercial & Private Banking, Kirkstane House, 139 St. Vincent Street, Glasgow G2 5JF, in its capacity as overdraft bank under the Restated Syndicated Loan Agreement (the **Overdraft Bank**);
- (16) **THE SCOTTISH MINISTERS** as defined in Section 44 of the Scotland Act 1998 (the **Grant Provider**).

BACKGROUND:

- (A) The Original Lenders (other than the Bond Issuer) were party as lenders to a facilities agreement dated 8th March 2003, between The Glasgow Housing Association (Funding) Limited as borrower, Bank of Scotland plc and The Royal Bank of Scotland plc as arrangers, the original lenders named therein, The Royal Bank of Scotland plc as agent and Bank of Scotland as security agent, as amended and restated by agreements dated 21st November, 2007 and 6th May, 2010, (the **Original Syndicated Loan Agreement**).
- (B) The interest of The Glasgow Housing Association (Funding) Limited as borrower under the Original Syndicated Loan Agreement was novated on 28th November 2014 to the Group Borrower.
- (C) The Original Syndicated Loan Agreement was amended and restated on 28th November 2014 so as to create the Restated EIB Loan Agreement (as defined below) and the Restated Syndicated Loan Agreement (as defined below).
- (D) The Group Borrower, the Original Guarantors, the Original Lenders, the Restated Syndicated Loan Agent, the Overdraft Bank, the Grant Provider and the Security Trustee entered into the original security trust deed dated 28th

November, 2014 (the **Original Security Trust Deed**) in connection with the Original Loan Agreements (as defined below).

- (E) It was a condition precedent to the Original Bond Loan Agreement, and a condition precedent to the restatement of the Restated Syndicated Loan Agreement, the Restated EIB Loan Agreement and the Grant Agreement, the Original Security Trust Deed be entered into pursuant to which the Security Trustee agreed to hold the benefit of the Security Documents and the guarantees and security created thereunder on trust in accordance with the terms of the Original Security Trust Deed for and on behalf of itself and the Beneficiaries (as defined below).
- (F) The Original Security Trust Deed amended and restated the Security Trust Deed dated 17th November, 2014. This Deed amends and restates the Original Security Trust Deed for the purpose of allowing private placement investors to accede as Beneficiaries.
- (G) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Deed:

Account Pledge means the account pledge granted or to be granted by the Group Borrower in favour of the Security Trustee over the Holding Account and the Mandatory Prepayment Account (each as defined in each of the Restated EIB Loan Agreement and the Restated Syndicated Loan Agreement).

Additional Guarantor means each member of the Group which accedes to this Deed in its capacity as guarantor in accordance with Clause 13.2 (*New Parties*).

Additional Funder means an entity which becomes a party to a Funding Agreement, in its capacity as lender, arranger, provider, of hedging arrangements, or, as the case may be, the purchaser or holder of notes of any series, and accedes to this Deed in accordance with Clause 13.2 (*New Parties*).

Additional Funding Agreement means any loan agreement and/or hedging arrangement and/or note purchase agreement entered into after the date of this Deed between a Funder or Funders, an Agent (if any) and the Group Borrower, to which the Security Trustee may be (but shall not be obliged to be) a party, for the purpose of, or in connection with, the proposed or actual making of any loan advances to, or the issuance of notes by, the Group Borrower and designated by the parties thereto as an Additional Funding Agreement for the purposes of this Deed.

Additional Security Agreement means each security agreement between an Additional Guarantor and the Security Trustee entered into after the date of this Deed under which, *inter alia*, such Additional Guarantor undertakes to grant Standard Securities in favour of the Security Trustee as security for its guarantee obligations pursuant to this Deed and/or any Funding Agreement and for the Group Borrower's

obligations under the Finance Documents substantially in the form set out in Schedule 4, duly completed.

Affiliate means a Subsidiary or Holding Company of a person or any other Subsidiary of that Holding Company.

Agent means an entity which acts in its capacity as facility agent or noteholder representative for any Funder(s) party to a Funding Agreement and accedes to this Deed in accordance with Clause 13.2 (*New Parties*).

Agent Appointment Agreement means any agreement appointing an Agent in connection with a Funding Agreement.

Appointee means any attorney, manager, agent, delegate, nominee, custodian, Receiver or other person appointed by the Security Trustee under this Deed or the other Security Documents.

Apportionment Certificate has the meaning given to that term in Clause 3.1(c).

Apportioned Part has the meaning given to that term in Clause 3.1(a).

Approved Tenancy Agreement means a tenancy agreement substantially in line with the guidelines of the Regulator or in such other form as may be approved by the Security Trustee and, in relation to an Approved Tenancy Agreement affecting Charged Properties apportioned on a Specific Apportionment Basis, the relevant Specific Beneficiary.

Associate has the meaning given to that term by Section 256 of the Companies Act 2006.

Authorised Signatory means, in respect of the Group Borrower, those signatories set out in an Incumbency Certificate substantially in the form set out in Schedule 6 or those signatories set out in any replacement Incumbency Certificate provided to the Security Trustee, which, in each case, the Security Trustee may rely upon absolutely.

Beneficiary means:

- (a) the Bond Issuer and the Security Trustee (individually and, in the case of the Bond Issuer, in its capacity as lender for the benefit of the Group Borrower pursuant to or in connection with the Original Bond Loan Agreement);
- (b) EIB, the Grant Provider and the Security Trustee (collectively and (a) in the case of the EIB, in its capacity as lender for the benefit of the Group Borrower pursuant to or in connection with the Restated EIB Loan Agreement and (b) in the case of the Grant Provider, in its capacity as provider of the Contingent Efficiencies Grant pursuant to the Grant Agreement) (together, the **EIB/Grant Beneficiaries**);
- (c) the Restated Syndicated Loan Agent, the Overdraft Bank, Nationwide, RBS and Bank of Scotland and the Security Trustee (collectively and, in the case of Nationwide, RBS and Bank of Scotland, in their capacity as lenders for the benefit of the Group Borrower pursuant to or in connection with the Restated Syndicated Loan Agreement and, in the case of the Restated Syndicated Loan Agent and the Overdraft Bank, in their capacity as agent and overdraft bank, respectively, for the benefit of the Group Borrower

pursuant to or in connection with the Restated Syndicated Loan Agreement) (together, the **Commercial Lender Beneficiaries**); and

- (d) each Additional Funder, each Agent acting on behalf of any such Funder and the Security Trustee (either individually or, where the context requires, collectively and, in the case of each Additional Funder, in the capacity of lender, arranger, provider of hedging arrangements or purchaser or holder of notes for the benefit of the Group Borrower pursuant to or in connection with an Additional Funding Agreement).

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

Certificate of Title means a certificate of title addressed to the Security Trustee and the Beneficiaries in a form acceptable to the relevant Beneficiaries at the time it is so addressed and substantially in the form set out in Schedule 5 duly completed.

Charged Property means all interests of each Guarantor in any property held on 'ownership' or leasehold tenure charged pursuant to a Security Document which complies with any relevant requirements of the Finance Documents and all buildings, fixtures, fittings (other than tenants' fixtures and fittings) and fixed plant and machinery from time to time thereon (and **Charged Properties** shall be construed accordingly).

Contingent Efficiencies Grant means the contingent efficiencies grant dated 7th March, 2003 between GHA and the Grant Provider, as amended and restated from 31st March, 2009 and as further amended by a supplemental agreement dated 29th April, 2010 and 5th May, 2010 and by an amendment agreement dated 28th November, 2014.

Deed of Accession means a deed of accession substantially in the form set out in Schedule 1, duly completed.

Default means:

- (a) an Event of Default; or
- (b) an event which would be (with the expiry of a grace period, the giving of notice or the making of any determination under the Finance Documents or any combination of them) an Event of Default.

Desk Top Valuation means, in relation to the Charged Properties, a valuation of those properties conducted in accordance with the same methodology as a Valuation Report addressed to, *inter alios*, the Security Trustee provided by a Valuer on a "desk-top" basis.

Enforcement Date means the first date upon which the security conferred by any of the Security Documents is enforced.

EUV-SH means a valuation made on the basis of existing use value for social housing ("EUV-SH") as defined by UKVS1.13 Valuations for registered social landlords of the RICS Valuation – Professional Standards January 2014 (or, if a subsequent edition of the RICS Valuation Standards has been published at the relevant time, the relevant valuation standard of the then most recently published edition of RICS Valuation Standards) or, if the RICS Valuation Standards are no longer published at such time,

on a basis agreed between the Group Borrower, the relevant Beneficiary, the Security Trustee and a Valuer (in each case, on the assumption that (a) the properties being valued are let on social housing rents and (b) void properties available for re-letting are re-let), and **EUV-SH NAB Charged Properties** and **EUV-SH SAB Charged Properties** shall be construed accordingly.

Event of Default has the meaning given to that term (or its equivalent) in each Funding Agreement.

Fee Letter has the meaning given to that term in the relevant Funding Agreement.

Finance Document means:

- (a) each Funding Agreement;
- (b) each Agent Appointment Agreement
- (c) each Fee Letter;
- (d) each Transfer Certificate;
- (e) each Security Document; and
- (f) any other document designated as a Finance Document in accordance with the terms of a Funding Agreement,

other than, for the purpose of Clause 2 (*Guarantee*), the Grant Agreement.

Funding Agreement means the Original Loan Agreements, the Grant Agreement and each Additional Funding Agreement.

Funders mean the Original Lenders, the Grant Provider and each Additional Funder.

"Grant Agreement" means the contingent efficiencies grant agreement originally provided to The Glasgow Housing Association Limited (registered number 2572 RS) pursuant to the agreement dated 8 March 2003 entered into between The Grant Provider and The Glasgow Housing Association Limited, as amended by a supplemental agreement dated 29 April and 5 May 2010 and by an agreement dated on or about the date of 28 November 2014 and any substitute or replacement grants granted by the Grant Provider to any Obligor.

Group means the Group Parent, its Subsidiaries and its Associates from time to time

Group Borrower Secured Liabilities has the meaning given to that term in the Group Borrower Security Agreement.

Group Borrower Security Agreement means each of:

- (a) the security agreement made between the Group Borrower and the Security Trustee and entered into on 28th November 2014 as is required as a condition precedent under each of the Original Loan Agreements; and
- (b) each other security agreement entered or to be entered into between the Group Borrower and the Security Trustee in such form as may be approved by the Security Trustee and designated by the Group Borrower and the Security Trustee as a Group Borrower Security Agreement.

Group Borrower Security Assets means all assets, rights and property of the Group Borrower mortgaged, secured, charged or assigned or the subject of any security created pursuant to any Group Borrower Security Agreement.

Group Parent means Wheatley Housing Group Limited, a company limited by guarantee registered in Scotland under Companies Act 2006 (registered number SC426094).

Guarantor means the Original Guarantors and each Additional Guarantor.

Guarantor Security Assets means, in respect of each Guarantor, all assets, rights and property of such Guarantor charged or the subject of any security created pursuant to each Security Document.

Holding Company of any other person means a company in respect of which that other person is a Subsidiary.

Housing (Scotland) Act means the Housing (Scotland) Act 2010.

Indemnities Agreement means the minute of agreement dated 7th March, 2003 between Glasgow City Council and Bank of Scotland plc under which Glasgow City Council granted certain indemnities in favour of Bank of Scotland plc, the benefit of which minute of agreement has been assigned by Bank of Scotland plc to the Security Trustee by an assignation 28th November 2014

Letter of Undertaking means a letter of undertaking from solicitors acting for the relevant Guarantor in a form acceptable to the Security Trustee, in relation to, inter alia, the title deeds to the relevant Charged Properties and perfection of security.

Letting Documents in relation to a Unit or Charged Property, has the meaning given to that term in the Security Agreement under which such Unit or Charged Property is charged or otherwise becomes subject to a right in security granted in favour of the Security Trustee.

Liability means any loss, damage, cost, fee, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including without limitation, in respect of taxes, duties, levies, imports and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis.

MV-ST means a valuation made on the basis of the current Market Value as defined by VS 3.2 of the RICS Valuation – Professional Standards January 2014 (or, if a subsequent edition of the RICS Valuation Standards has been published at the relevant time, the relevant valuation standard of the then most recently published edition of the RICS Valuation Standards) (effectively, in these circumstances, based on the fact that the properties are subject to existing tenancies but are not restricted to use as social housing let at sub-market rents, and that any Units that become vacant may be sold with vacant possession) or, if the RICS Valuation Standards are no longer published at such time, on a basis agreed between the Group Borrower, the relevant Beneficiaries, the Security Trustee and a Valuer.

MV-ST NAB Charged Properties means the Charged Properties accepted as such in accordance with the provisions of the relevant Funding Agreements.

NAB Beneficiaries means the Beneficiaries who have been allocated Charged Properties on a Numerical Apportionment Basis (and **NAB Beneficiary** shall be construed accordingly).

NAB Charged Properties means, at any time, the aggregate number of Units comprising the Residual Charged Properties that have been allocated to the NAB Beneficiaries.

NAB Security Percentage means, in relation to any particular NAB Beneficiary, the number of Units allocated under the Numerical Apportionment Basis attributable to that NAB Beneficiary, as amended from time to time, divided by the total number of Units comprising the NAB Charged Properties, as amended from time to time (expressed as a percentage).

NSSE Property means any heritable property situated in Scotland belonging to a Guarantor in respect of which the Guarantor has received a grant pursuant to the Scottish Government's New Supply Shared Equity Scheme Administrative Procedures.

Numerical Apportionment Basis has the meaning given to that term in Clause 3.1(a).

Obligor means the Group Borrower and each Guarantor.

Original Bond Loan Agreement means the loan agreement dated on or about the date of this Deed between the Bond Issuer as lender and the Group Borrower.

Original Loan Agreements means the Original Bond Loan Agreement, the Restated EIB Loan Agreement and the Restated Syndicated Loan Agreement.

Original Security Agreements means the security agreements between the Original Guarantors and the Security Trustee dated prior to the date of this Deed under which, inter alia, each Original Guarantor undertakes to grant Standard Securities in favour of the Security Trustee as security for its guarantee obligations pursuant to this Deed and/or the Funding Agreements and for the Group Borrower's obligations under the Finance Documents.

Other Beneficiary means, in circumstances where proceeds are available for distribution by the Security Trustee in accordance with Clause 4(e) following satisfaction of all Secured Liabilities owed to any Beneficiary pursuant to Clauses 4(c) or 4(d), as the case may be, any other Beneficiary or group of Beneficiaries whose Secured Liabilities have not previously been so satisfied in accordance with the said Clauses 4(c) or 4(d), as the case may be.

Other Loan Agreements means the Funding Agreements under or in connection with which the Secured Liabilities owed to the Other Beneficiaries arise.

Overall Security Percentage means, in relation to any particular Beneficiary or group of Beneficiaries, means the number of Units (whether allocated under the Specific Apportionment Basis or the Numerical Apportionment Basis) attributable to that Beneficiary or group of Beneficiaries, as amended from time to time, divided by the total number of Units comprising all the Apportioned Parts, as amended from time to time (expressed as a percentage).

Party means a party to this Deed (which, for the avoidance of doubt, includes any person acceding to this Deed in accordance with Clause 13.2 (*New Parties*)).

Permitted Disposal means (a) a Statutory Disposal; or (b) any other disposal of a Property that is permitted under the relevant Funding Agreement.

Property means all interests of each Guarantor in any property held on 'ownership' or leasehold tenure wheresoever situate, now or in future belonging to it, excluding any interest of a Guarantor in any NSSE Property, and all buildings, fixtures, fittings (other than tenants fixtures and fittings) and fixed plant and machinery from time to time thereon (and **Properties** shall be construed accordingly).

Receiver means an administrative receiver, a receiver or a receiver and manager.

Recovering Beneficiary has the meaning given to that term in Clause 4(k).

Registered Social Landlord means a social landlord registered with the Regulator as such pursuant to Section 20 of the Housing (Scotland) Act (or any replacement or successor legislation thereto).

Regulator means the Scottish Housing Regulator established under Section 1 of the Housing (Scotland) Act and having its principal office at Highlander House, 58 Waterloo Street, Glasgow G2 7AD or any similar future authority or authorities carrying on substantially the same regulatory and supervisory functions.

Related Security Assets means, in relation to any Unit or Charged Property, all rights, title and interest of the relevant Guarantor in to and under fixed plant and machinery, insurances, licences consents and authorisations, Letting Documents and security thereunder, warranties, Council Sale Agreements and all other agreements, rights and assets, in each case, related to such Unit or Charged Property and the subject of the security created under any Security Document.

Residual Charged Properties means, at any time, the Units that have not been allocated to any Specific Beneficiary on a Specific Apportionment Basis.

Residual Loan Agreement has the meaning given to that term in Clause 4(d).

Restated EIB Loan Agreement means the facilities agreement dated 8th March, 2003 between The Glasgow Housing Association (Funding) Limited as borrower, Bank of Scotland plc and The Royal Bank of Scotland plc as arrangers, the original lenders named therein, The Royal Bank of Scotland plc as agent and Bank of Scotland plc as security agent, as amended and restated by agreements dated 21st November, 2007 and 6th May, 2010, and by agreement dated 28 November, 2014 under and pursuant to which the parties to the Restated EIB Loan Agreement (therein named a finance contract) are The European Investment Bank as the bank, the Group Borrower as borrower, Wheatley Housing Group Limited as parent and the authorised borrowers named therein.

Restated Syndicated Loan Agreement means the facilities agreement dated 8th March, 2003 between The Glasgow Housing Association (Funding) Limited as borrower, Bank of Scotland plc and The Royal Bank of Scotland plc as arrangers, the original lenders named therein, The Royal Bank of Scotland plc as agent and Bank of Scotland plc as security agent, as amended and restated by agreements dated 21st November, 2007 and 6th May, 2010, and by agreement dated 28th November, 2014 under, and pursuant to, which the parties to the Restated Syndicated Loan Agreement are Wheatley Housing Group Limited as Parent, the Group Borrower as borrower, the original guarantors therein mentioned, Bank of Scotland plc, The Royal Bank of Scotland plc and Nationwide Building Society as arranger, the original lenders therein

mentioned, The Royal Bank of Scotland plc as agent and Prudential Trustee Company Limited as security trustee.

Right-to-Buy means the right of a tenant of a Property:

- (a) to buy that property from an Obligor under Part 3 of the Housing (Scotland) Act 1987, Part 2 of the Housing (Scotland) Act 2001 or Part 14 of the Housing (Scotland) Act 2010 (or any similar right replacing those rights) or under any contract conferring such a right and including, without limitation, such rights preserved notwithstanding any previous transfers of that property to the relevant Obligor from any local authority;
- (b) to acquire an interest in that property from an Obligor by means of a tenancy agreement, contract or other voluntary arrangement where the terms of any such agreement comply with the regulatory requirements of the Regulator; or
- (c) to buy or acquire an interest in that property from an Obligor under any voluntary scheme approved by the relevant Beneficiaries.

Secured Liabilities in relation to any Guarantor, means all present and future obligations and liabilities (whether actual or contingent) owed by such Guarantor and/or owed by the Group Borrower to any Beneficiary under the Finance Documents.

Security Agreement means:

- (a) the Original Security Agreements;
- (b) each Additional Security Agreement; and
- (c) each Standard Security.

Security Assets means:

- (a) the Group Borrower Security Assets; and
- (b) the Guarantor Security Assets.

Security Document means:

- (a) each Security Agreement;
- (b) each Group Borrower Security Agreement;
- (c) the Account Pledge;
- (d) the Indemnities Agreement;
- (e) this Deed; and
- (f) any other document creating, evidencing or granting any guarantee or security in support of the obligations of any Obligor under the Finance Documents.

Shared Ownership Property means any Properties acquired by an Obligor then being occupied on shared ownership terms or in respect of which the relevant Obligor

enters into a shared equity or shared ownership agreement so that the Obligor holds, or is intending to hold upon disposal on shared ownership terms, less than 100 per cent. of the heritable interest in that Property and the purchaser of the balance of that heritable interest has the right to acquire a further portion of the relevant Obligor's retained heritable interest.

Shared Ownership Sale means the disposal of the whole or any interest in a unit of residential accommodation by an Obligor (or of the retained interest of an Obligor in any unit of residential accommodation) which, immediately before the disposal, was comprised in a Shared Ownership Property.

Specifically Apportioned Funding Agreement has the meaning given to that term in Clause 4(c).

Specific Apportioned Part has the meaning given to that term in Clause 4(c).

Specific Apportionment Basis has the meaning given to that term in Clause 3.1(a).

Specific Beneficiary has the meaning given to that term in Clause 4(c).

Specific Expenses means any costs, charges, expenses and liabilities incurred by or on behalf of the Security Trustee, any Appointee and any Receiver, attorney or agent in connection with any repairs, maintenance, management or servicing of specific Charged Properties.

Standard Security means a standard security granted by a Guarantor in favour of the Security Trustee over any Property which shall be first ranking and substantially in the form set out in Part 2 of the Schedule to the form of Security Agreement set out in Schedule 4, duly completed.

Statutory Disposal means a Shared Ownership Sale or the exercise of a Right to Buy.

Subsidiary in relation to the Group Parent and any Guarantor, has the meaning given to that term in Section 164 of the Housing (Scotland) Act and, in relation to the Group Borrower and any Beneficiary, means an entity of which a person has direct and indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar rights of ownership and control for this purpose means the powers to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

Transfer Certificate has the meaning given to that term in the relevant Funding Agreement.

Trust Corporation means a corporation entitled by rules made under the Public Trustee Act 1906 or entitled pursuant to any other comparable legislation applicable to a trustee in any other jurisdiction to carry out the functions of a custodian trustee.

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

Trustee Expenses means all costs, fees, charges, expenses, losses, demands, claims, judgments and liabilities (and all interest, taxes and duties thereon as provided in the relevant Security Documents) incurred by or on behalf of the Security Trustee and any Appointee in connection with carrying out its duties and exercising its powers and discretions under the relevant Security Documents and the remuneration of the Security Trustee and every Receiver under the relevant Security Documents in respect

of acting in relation to the relevant Security Assets other than any Specific Expenses or Valuer's Expenses.

Unallocated Charged Properties means, at any time, the aggregate number of Units comprising the Residual Charged Properties that have not been allocated to the NAB Beneficiaries on a Numerical Apportionment Basis.

Unit means, at any time, a Charged Property or part thereof in relation to which there is or, when let, there would be, a separate rental contract entered into with a Guarantor and **Units** means all such Charged Properties or parts thereof.

Valuation Report means, in relation to the Charged Properties, a valuation of those properties addressed to, *inter alios*, the Security Trustee provided by a Valuer containing such information as is relevant to the portfolio of the Charged Properties and showing the value of the properties on the basis of EUV-SH and/or MV-ST (to the extent applicable) or, where agreed between the Security Trustee and the relevant Obligor, a letter from the relevant Valuer confirming that there have been no material changes in respect of a previous Valuation Report given by such Valuer in respect of such properties.

Value means, at any time and in relation to the Charged Properties, the value of those properties as shown in the then latest Valuation Report or Desk Top Valuation on the basis of EUV-SH or, as the case may be and to the extent permitted as a valuation methodology under the relevant Funding Agreement, MV-ST (provided that if any Charged Property or part thereof is sold pursuant to a Right to Buy, the Value of the relevant Charged Property shall, for the purposes of this definition and with effect from the date of the relevant sale or release, be zero (if the entire relevant Charged Property has been sold) or (if only part of the relevant Charged Property has been sold) shall be the proportion of the value of the Charged Property which has not been sold pursuant to the relevant Right to Buy).

Valuer means one of the firms of surveyors appointed in accordance with the Funding Agreements.

Valuer's Expenses means the fees and expenses of the surveyor incurred in undertaking the allocation contemplated in Clause 4(q).

1.2 Construction

- (a) In this Deed, unless the contrary intention appears, a reference to:
- (i) an **amendment** includes a supplement, novation, restatement or re-enactment (however fundamental) and **amended** will be construed accordingly;
 - (ii) **assets** includes present and future properties, revenues and rights of every description;
 - (iii) an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
 - (iv) **disposal** means a sale, transfer, grant, lease or other disposal, whether voluntary or involuntary, and **dispose** will be construed accordingly;

- (v) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money;
 - (vi) a **person** includes any individual, company, corporation, unincorporated association or body (including a partnership, trust, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;
 - (vii) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (viii) a currency is a reference to the lawful currency for the time being of the relevant country;
 - (ix) a Default being **outstanding** means that it has not been remedied (within any applicable grace period) or waived in writing;
 - (x) a **majority** of the Beneficiaries shall be a Beneficiary or Beneficiaries whose lending commitments are more than 50 per cent. of the total lending commitments of all Beneficiaries, or all of a particular sub-category of Beneficiaries where applicable;
 - (xi) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
 - (xii) a Clause, a paragraph or a Schedule is a reference to a clause or paragraph of, or a schedule to, this Deed;
 - (xiii) a person includes its successors in title, permitted assigns and permitted transferees;
 - (xiv) a Finance Document or another document is a reference to that Finance Document or other document as amended; and
 - (xv) a time of day is a reference to London time.
- (b) Unless the contrary intention appears, a reference to a **month** or **months** 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 or the calendar month in which it is to end, except that:
- (i) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);
 - (ii) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and

- (iii) notwithstanding subparagraph (i) above, a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.
- (c) Unless the contrary intention appears:
 - (i) a reference to a Party will not include that Party if it has ceased to be a Party under this Deed;
 - (ii) a word or expression used in any other Finance Document or in any notice given in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Deed unless otherwise expressly defined therein; and
 - (iii) any obligation of an Obligor under the Finance Documents which is not a payment obligation remains in force for so long as any payment obligation (actual or contingent, present or future) of an Obligor is or may be outstanding under the Finance Documents.
- (d) The headings in this Deed do not affect its interpretation.
- (e) In the event of any conflict between the terms of this Deed and any other Finance Document with regard to the rights, powers or obligations of the Security Trustee, the provisions contained in this Deed shall prevail.

2. **GUARANTEE**

2.1 **Guarantee and indemnity**

Each Guarantor irrevocably and unconditionally:

- (a) guarantees on a joint and several basis to each Beneficiary punctual performance by the Group Borrower of all its obligations under the Finance Documents;
- (b) undertakes with each Beneficiary that, whenever the Group Borrower does not pay any amount when due under any Finance Document, it must, immediately on demand by the Security Trustee or any Beneficiary, pay to the relevant Beneficiary that amount as if it were the principal obligor; and
- (c) indemnifies each Beneficiary immediately on demand against any loss or liability suffered by that Beneficiary if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal; the amount of the loss or liability under this indemnity will be equal to the amount the Beneficiary would otherwise have been entitled to recover.

2.2 **Undertaking**

Each Guarantor undertakes and binds and obliges itself to the Security Trustee for the benefit of itself and the Beneficiaries that it will pay or discharge the Secured Liabilities on the due date therefor in the manner provided in the Finance Documents to which it is a party.

2.3 Continuing guarantee

This guarantee is a continuing guarantee by each Guarantor and will extend to the ultimate balance of all such Guarantor's obligations and liabilities under this Clause 2, regardless of any intermediate payment or discharge in part.

2.4 Reinstatement

Where any discharge 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 each Guarantor under this Clause 2 shall continue as if the discharge or arrangement had not occurred (but only to the extent that such payment, security or other disposition is avoided or restored).

2.5 Waiver of defences

The obligations of each Guarantor under this Clause 2 will not be affected by any act, omission, matter or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Clause 2 or prejudice or diminish those obligations in whole or in part, including (whether or not known to it or the Security Trustee or any Beneficiary):

- (a) any time or waiver granted to, or composition with, any Obligor or other person;
- (b) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (c) any incapacity or lack of powers, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (d) any variation (however fundamental) or replacement of a Finance Document or any other document or security so that references to that Finance Document in this Clause 2 shall include each variation or replacement;
- (e) any unenforceability or invalidity of any obligation of any person under any Finance Document or any other document or security, to the intent that the Guarantors' obligations under this Clause 2 shall remain in full force and their respective guarantees be construed accordingly, as if there were no unenforceability or invalidity; and
- (f) any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of any Obligor or any other person resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order so that each such obligation shall for the purposes of the Guarantors' obligations under this Clause 2 shall be construed as if there were no such circumstance.

2.6 Immediate recourse

Each Guarantor waives any right it may have of first requiring the Security Trustee and any Beneficiary (or any Agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from such Guarantor under this Clause 2.

2.7 Appropriations

Until the Secured Liabilities have been irrevocably paid and discharged in full, the Security Trustee and each Beneficiary (or any Agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Security Trustee or such Beneficiary (or any Agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- (b) hold in an interest bearing suspense account any moneys received from any Guarantor or on account of such Guarantor's liability under this Clause 2.

2.8 Non-competition

Until the Secured Liabilities have been paid and discharged in full, no Guarantor shall after a claim has been made or by virtue of any payment or performance by it under this Clause 2:

- (a) be subrogated to any rights, security or moneys held, received or receivable by any Beneficiary (or any Agent on its behalf) or be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of such Guarantor's liability under this Clause 2;
- (b) claim, rank, prove or vote as a creditor of any Obligor or its estate in competition with the Security Trustee or any Beneficiary (or any trustee or agent on its behalf); or
- (c) receive, claim or have the benefit of any payment, distribution or security from or on account of any Obligor, or exercise any right of set-off as against any Obligor.

Each Guarantor shall hold in trust for and forthwith pay or transfer to the Security Trustee for the Beneficiaries any payment or distribution or benefit of security received by it contrary to this Clause 2.8.

2.9 Additional security

This Clause 2 is in addition to and is not in any way prejudiced by any other guarantee or security now or hereafter held by the Security Trustee or any Beneficiary.

2.10 Right of appropriation

Upon and after the occurrence of an Event of Default for so long as the same is outstanding, the Security Trustee shall be entitled to appropriate moneys and/or assets to Secured Liabilities in accordance with Clause 4 (Application of Proceeds) and any such appropriation shall override any appropriation by any Guarantor.

3. DIVISION OF SECURITY ASSETS

3.1 Division of Charged Properties and Related Security Assets

(a) The Charged Properties were apportioned, on the date of the Original Security Trust Deed, and have been and will be apportioned on an ongoing basis as part of the adjustments to the Apportioned Parts set out in Clause 3.1(b), in each case, into such number of parts between the Beneficiaries as is appropriate (each an **Apportioned Part**) (with the remaining number thereof comprising Unallocated Charged Properties), such apportionment to be on an individual or collective basis and be in accordance with the provisions set out below so that:

(i) either:

(A) in the event that the relevant Funding Agreement states that the "Numerical Apportionment Basis" (the **Numerical Apportionment Basis**) is to apply, the Apportioned Part shall either (a) be equal to the number of Units designated to such Beneficiary and as agreed between the Group Borrower, the relevant Agents and the relevant Funders (together with the Related Security Assets) as notified to each of the Beneficiaries in accordance with paragraph (c) below, or (b) comprise the specific Charged Properties designated to such Beneficiary in accordance with the procedure set out in Clause 4(q) below (together with the Related Security Assets); or

(B) in the event that the relevant Funding Agreement states that the "Specific Apportionment Basis" (the **Specific Apportionment Basis**) is to apply, the Apportioned Part shall comprise the specific Charged Properties designated to such Beneficiary and as agreed between the Group Borrower, the relevant Agent (if any) and the relevant Funder(s) (together with the Related Security Assets) as notified to each of the Beneficiaries in accordance with paragraph (c) below; and

(ii) the Group Borrower will be able to comply with the applicable asset cover, income cover or similar ratios set out in each of the Funding Agreements.

Where the Specific Apportionment Basis has been specified, no Beneficiary in respect thereof is entitled to change its basis of apportionment. Where the Numerical Apportionment Basis has been specified, a Beneficiary in respect thereof is only entitled to change its basis of apportionment in the limited circumstances set out in Clauses 4(p) and (q) below and only in respect of its relevant share of the NAB Charged Properties. None of the Unallocated Charged Properties will be allocated except in accordance with any of paragraphs (b), (f) and (h) and Clause 4(q)(v) below.

- (b) (i) On each 31st March and 30th September; and
- (ii) immediately before and as a condition precedent to the disbursement of any loan under an Original Loan Agreement in excess of the loan advanced as at the date of the Original Security Trust Deed, the disbursement of any loan, the posting of any collateral, or the issuance of any note under any Additional Funding Agreement and/or the accession of a new Beneficiary (subject to paragraph (d) below) and/or Guarantor to this Deed or release of an existing Beneficiary and/or Guarantor from this Deed,

the Group Borrower shall review the certificates of each Beneficiary's respective Apportioned Parts most recently provided in accordance with paragraph (c) below in the light of releases and/or substitutions and/or additions from and to the Guarantor Security Assets (or the entitlement of any Beneficiary to part of such Guarantor Security Assets, whether on a Numerical Apportionment Basis or a Specific Apportionment Basis) which have taken place since the date of last review and/or in light of the proposed loan disbursement, posting of collateral, issuance of notes and/or accession or release of any Beneficiary and/or Guarantor and, if necessary and possible, agree with each relevant Beneficiary (or Agent acting on its behalf) to adjust, subject to the immediately following provisos, the Apportioned Parts and the Unallocated Charged Properties as they may deem appropriate (and shall notify the Security Trustee of any such adjustments), provided that:

- (A) subject to paragraph (f) and Clause 3.2, any such adjustment shall only be made to the extent that the terms of the relevant Funding Agreement relating to releases and/or substitutions and/or additions have been complied with, no Event of Default has occurred and is outstanding or would occur following such adjustment (unless the Group Borrower and each relevant Beneficiary (or group of Beneficiaries) agrees to waive the Event of Default) and all applicable asset cover, income cover or similar ratios included in each Funding Agreement will be satisfied following such adjustment; and
- (B) any such adjustment shall only be made with the agreement in writing of all Beneficiaries in their absolute discretion and the Group Borrower except where it is made in any of the following circumstances, in which event only the agreement in writing of the particular Beneficiary or Beneficiaries (or Agent acting on a Beneficiary's (or group of Beneficiaries') behalf) in its/their absolute discretion and the Group Borrower shall be required:
 - i. a reduction of a Beneficiary's Apportioned Part where the Units concerned (or the number thereof, as the case may be) become Unallocated Charged Properties;

- ii. allocation to a NAB Beneficiary (whether new or existing) of a number of Units from the Unallocated Charged Properties; or
- iii. allocation to a new Beneficiary of Units (or a number thereof, as the case may be) from an existing Beneficiary's Apportioned Part

Where a new loan is to be disbursed, collateral is to be posted, notes are to be issued and/or a new Beneficiary and/or Guarantor is to accede to, or an existing Beneficiary and/or Guarantor is to be released from, this Deed, such adjustment shall take effect on the date of such disbursement, posting, issue, accession or release.

- (c) With effect from any apportionment effected in accordance with paragraphs (a) or (b) above, paragraphs (f) or (h) below or Clauses 4(p) and/or 4(q), the Group Borrower shall notify each affected Beneficiary (or Agent on its behalf), copied to the Security Trustee, in writing of (i) where such apportionment has been achieved on the Specific Apportionment Basis, the specific designated Properties included in such Beneficiary's Apportioned Part and (ii) where such apportionment has been achieved on the Numerical Apportionment Basis, the number of Units apportioned to any affected Beneficiary, (or, in each case, Agent on its behalf, by delivering to such Beneficiary, copied to the Security Trustee, a certificate substantially in the form of Schedule 3 (an **Apportionment Certificate**) and such Apportionment Certificate shall be signed by the Group Borrower and (in acknowledgement of receipt) by the Security Trustee and countersigned by the relevant Beneficiary (or Agent on its behalf). Where any Property or Unit included in any Apportioned Part is re-allocated in accordance with this Deed, such reallocation shall be evidenced by the Group Borrower delivering a revised Apportionment Certificate to each affected Beneficiary, such Apportionment Certificate shall be signed by the Group Borrower and (in acknowledgement of receipt) by the Security Trustee and countersigned by the relevant Beneficiary (or Agent on its behalf). In each case, each such Apportionment Certificate shall be conclusive in the absence of manifest error and shall be countersigned by the relevant Beneficiary (or Agent acting on its behalf) as an indication of its agreement to its Apportioned Part referred to in the revised Apportionment Certificate. For the avoidance of doubt, unless an Apportionment Certificate has been delivered to a Beneficiary (or Agent on its behalf) and countersigned by way of acceptance by the relevant Beneficiary (or Agent acting on its behalf), the Units in respect of such Beneficiary shall be deemed not to be adjusted. An Apportionment Certificate may be issued to an Agent acting on behalf of Funders party to the same Funding Agreement which will identify the specific designated Properties allocated to the Beneficiaries party to such Funding Agreement or, as the case may be, will specify the aggregate number of Units apportioned to the Beneficiaries party to such Funding Agreement, in each case, on a collective basis.

- (d) For the avoidance of doubt, an adjustment to the Apportioned Parts and the Unallocated Charged Properties will not be deemed to be necessary for the purposes of paragraph (b) above and a reallocation and issue of a revised Apportionment Certificate will not be required for the purposes of paragraph (c) above in circumstances where:
- (i) a Beneficiary which is party to a Funding Agreement transfers its rights and/or obligations thereunder, in full or in part, to another party in accordance with the provisions of such Funding Agreement and the transferee accedes to, and becomes a Beneficiary for the purposes of, this Deed in accordance with Clause 13.2 (*New Parties*); and
 - (ii) the Apportionment Certificate issued most recently prior to such transfer in respect of the transferring Funder has been issued to an Agent (acting on behalf of such Funder and any other Funders party to such Funding Agreement) on a collective basis as contemplated in paragraph (c) above.

Where such circumstances exist, the acceding Beneficiary will share in the Charged Properties or Units apportioned to the Beneficiaries party to such Funding Agreement by its accession to this Deed, the extent of its share being proportionate to the rights and obligations transferred to it under such Funding Agreement as determined in accordance with the provisions thereof.

- (e) Any additional Properties over which a Standard Security has been granted in favour of the Security Trustee shall be deemed to be Residual Charged Properties unless secured pursuant to clause 12.2 of the Original Bond Loan Agreement (or any equivalent provision of any other Funding Agreement) in substitution for another Charged Property specifically included in the Apportioned Part of any Beneficiary as a result of allocation being effected on the Specific Apportionment Basis, in which case such additional Property or Properties shall be included in the Apportioned Part of such Beneficiary on the Specific Apportionment Basis.
- (f) In circumstances where there is a Default in respect of any asset cover, income cover or similar ratio in any Funding Agreement, then the Group Borrower and the Beneficiaries (or any Agent acting on behalf of a Beneficiary) will, to the extent it is necessary and possible, agree to reallocate Units (by withdrawing Properties from the Unallocated Charged Properties and allocating them to another Apportioned Part or, failing which, by withdrawing Properties from one Apportioned Part and allocating them to another Apportioned Part) and will instruct the Security Trustee to reallocate Units accordingly, provided always that the Group Borrower certifies to the Security Trustee that the asset cover, income cover or similar ratios or any other covenants or requirements that need to be satisfied prior thereto in respect of any other Funding Agreements continue to be complied with after such reallocation and no Default (other than the Default which is to be remedied by the reallocation of Units) has occurred and is outstanding or would occur as a result of such adjustment. No Properties allocated to a Beneficiary on a Specific Apportionment Basis shall be affected without the prior written consent of the relevant Specific Beneficiary in its absolute discretion. The Group Borrower shall issue to the Security Trustee and to all Beneficiaries (or any Agent acting on behalf of a Beneficiary) a revised Apportionment Certificate (such Apportionment Certificate shall be signed

by the Group Borrower and countersigned by the Security Trustee) reflecting such reallocation. For the avoidance of doubt, the Units shall not be deemed to be reallocated until the Beneficiaries (or any Agent acting on behalf of a Beneficiary) have countersigned such revised Apportionment Certificate.

- (g) Each NAB Beneficiary's Apportioned Part shall, if required for the purposes of determining compliance with any applicable asset cover, income cover or similar ratios in each Funding Agreement, be deemed to include the same proportion of EUV-SH NAB Charged Properties and MV-ST NAB Charged Properties as comprise the Residual Charged Properties taken as a whole (as demonstrated in the most recent Apportionment Certificates).
- (h) Following confirmation from each relevant Beneficiary (or Agent on its behalf) that certain Charged Properties have been approved as MV-ST Charged Properties, the Group Borrower shall deliver a revised Apportionment Certificate signed by it to the Security Trustee and to each relevant Beneficiary (to be countersigned by them or any Agent acting on their behalf) reflecting the inclusion of such MV-ST Charged Properties. Such revised Apportionment Certificate shall become effective on the countersigning by the relevant Beneficiary or Agent on their behalf.
- (i) The Parties agree that (i) no apportionment shall be effected except in accordance with paragraphs (a), (b), (f) or (h) above or Clauses 4(p) and (q) below and (ii) any allocation of Charged Properties and Related Security Assets contemplated by this Clause 3.1 and any other provision of this Deed is notional in nature, being included in this Deed primarily for the purposes of determining, as between the Beneficiaries, their respective shares in the proceeds of any enforcement of the security constituted by the Security Documents over the Charged Properties and Related Security Assets.
- (j) Each of the Security Trustee, the Group Borrower, the Guarantors and the Bond Issuer agree that, other than in the case of Funding Agreements which are all funded by the issue by the Bond Issuer of bonds of the same series, the Bond Issuer shall be treated as a separate Beneficiary in respect of each Funding Agreement to which it is a party and that the obligations of the Obligors in respect of the Bond Issuer shall not be aggregated in respect of two or more Funding Agreements to which the Bond Issuer is a party.
- (k) Notwithstanding anything to the contrary in this Deed, the following provisions shall apply in respect of the security to be apportioned to EIB and the Grant Provider in respect of the Secured Liabilities owing by the Group Borrower and GHA in respect of the Restated EIB Loan Agreement and the Grant Agreement (collectively, the **EIB/Grant Secured Liabilities**):
 - (i) Charged Properties shall be apportioned in a single Apportioned Part on a Specific Apportionment Basis in respect of the EIB/Grant Secured Liabilities (the EIB/Grant Apportioned Part);
 - (ii) the Charged Properties comprised in the EIB/Grant Apportioned Part shall only be Properties which are owned, and have been charged, by GHA;
 - (iii) the Value of the EIB/Grant Apportioned Part must at all times be equal to or greater than the higher of:

- (A) the Value then required to satisfy the asset cover, income cover or similar ratios in the Restated EIB Loan Agreement; and
 - (B) 105 per cent. of the amount of the Contingent Efficiencies Grant then outstanding and repayable;
- (iv) for so long as any Secured Liabilities remain outstanding in respect of the Restated EIB Loan Agreement:
 - (A) the Security Trustee shall only be required to take action (or refrain from taking action) in respect of the EIB/Grant Apportioned Part on the written instructions of EIB and shall not be required to take any action (or refrain from taking any action) on the instructions or direction of the Grant Provider;
 - (B) any monies to be applied by the Security Trustee in accordance with Clause 4(c) and Clause 4(e) in the payment of the EIB/Grant Secured Liabilities shall be applied (x) first, in satisfaction of all Secured Liabilities owing to EIB arising under or in connection with the Restated EIB Loan Agreement and (y) thereafter, in satisfaction of all Secured Liabilities owing to the Grant Provider arising under or in connection with the Grant Agreement; and
 - (C) EIB shall not be required at any time to have any regard to the interests of the Grant Provider and may take any action, or refrain from taking any action, without notifying, consulting or otherwise dealing with the Grant Provider; and
- (v) upon confirmation satisfactory to the Security Trustee that all Secured Liabilities owing to EIB pursuant to the Restated EIB Loan Agreement have been unconditionally and irrevocably paid and discharged in full, the Security Trustee shall thereafter be required to take action (or refrain from taking action) in respect of the EIB/Grant Apportioned Part and as otherwise permitted or required under this Deed on the written instructions of the Grant Provider.

3.2 Disposals of Charged Properties

- (a) Subject to (b) below, if, under the terms of the Finance Documents, each Beneficiary (or Agent on its behalf) has directed the Group Borrower to direct the Security Trustee (such direction from each Beneficiary to be in writing and signed by one authorised signatory or otherwise in accordance with the applicable Funding Agreement) to release any Charged Property from any security interest created by any Security Document then the Security Trustee shall promptly release such Charged Property from the security interest created by the Security Documents and such Charged Property shall, upon such release, be withdrawn from the Charged Properties

and the Security Trustee shall have no liability for any losses incurred by any person as a result of the Security Trustee acting on such direction.

- (b) The Group Borrower may require the Security Trustee (without the written consent of any Beneficiary (or Agent on its behalf)), and the Security Trustee is hereby authorised by the Beneficiaries, to release any Charged Property from any security interest created by any Security Document (save as may be required by law) where the Group Borrower confirms that such release is connected with a Statutory Disposal or other Permitted Disposal under the relevant Funding Agreement(s), save that, unless such release is in connection with a Statutory Disposal, the Security Trustee will not execute any release of security interest over any Charged Property unless instructed in writing by the Beneficiary whose Apportioned Part will be affected by such release or otherwise save as required by law. For the avoidance of doubt, the Security Trustee shall be under no obligation to effect a release of any Charged Property unless such confirmation and (where applicable) instruction is received by it.
- (c) For the avoidance of doubt, where a release of Charged Property occurs pursuant to this Clause that results in the number of Residual Charged Properties being less than the number of NAB Charged Properties, or the reduction in a Beneficiary's Specifically Apportioned Part such that any asset cover, income cover or similar ratio in such Beneficiary's Funding Agreement is to be breached, then the Group Borrower shall agree with each relevant Beneficiary (or Agent acting on its behalf) an adjustment to the Apportioned Parts and the Unallocated Charged Properties (as contemplated in Clause 3.1(b)), provided that no reallocation of Charged Properties from an Apportioned Part allocated on a Specific Apportionment Basis shall be effected without the prior consent in writing of the relevant Specific Beneficiary(ies) (or Agent acting on its/their behalf).

3.3 Additional Charged Properties

At the request and expense of the relevant Guarantor, the Security Trustee shall (and is hereby authorised by the other Beneficiaries to) accept any additional Property (and Related Security Assets) into charge as may be selected by the relevant Guarantor, provided that the Group Borrower has:

- (a) confirmed to the Security Trustee that each Beneficiary (or Agent on its behalf) has confirmed that such additional Properties are residential properties of a type and nature that are usually owned by a Registered Social Landlord and are let or substantially let pursuant to an Approved Tenancy Agreement;
- (b) delivered to the Security Trustee and each Beneficiary (or Agent on its behalf) a Valuation Report in relation to such Property which is to be charged prepared by the Valuer dated no earlier than three months prior to the date of the relevant Security Agreement referred to below; and
- (c) the relevant Guarantor grants in favour of the Security Trustee a Standard Security over such Property, together with such other documents as the Security Trustee or any Beneficiary (or Agent on its behalf) may require as set out in paragraphs 1 to 8 of Schedule 2 (*Additional Property Conditions Precedent*) in form and substance satisfactory to such Beneficiary (or Agent on its behalf) and the Security Trustee,

whereupon such Property or Property shall form part of the Residual Charged Properties (subject to Clause 3.1(e)).

3.4 Release of Unallocated Charged Properties

At any time prior to the Security Trustee taking any steps to enforce any Unallocated Charged Properties, upon receiving instructions from the relevant Guarantor so to do, the Security Trustee shall (and is hereby authorised by the Beneficiaries to) release the benefit of any encumbrance, charge, mortgage, assignment, rights or obligations held by it over the Unallocated Charged Properties as security for all or any of the Secured Liabilities provided that the relevant Guarantor shall have paid to the Security Trustee, or provided for to the satisfaction of the Security Trustee, all Trustee Expenses which relate to those Unallocated Charged Properties and the Security Trustee shall have no liability for any losses incurred by any person as a result of the Security Trustee acting on such direction.

3.5 Security Register

The Group Borrower will at all times maintain, or procure the maintenance of, a register of the Apportioned Parts and any Unallocated Charge Properties (the Security Register). The Group Borrower will promptly make, or procure the making of, an entry in the Security Register in respect of:

- (a) each Property charged by each Guarantor in favour of the Security Trustee so as to form part of the Security Assets;
- (b) each release of Security Assets from the Security Documents;
- (c) any disposition or dealing affecting (or which may be expected to affect) the title and/or value of, and/or the Security Trustee's interest in, any Security Asset including (without limitation) any disposition by operation of law but excluding any letting on a tenancy agreement approved under a Finance Document;
- (d) in relation to each Beneficiary, the aggregate number of Units or the specific designated Properties (as applicable) allocated to such Beneficiary;
- (e) each reallocation of Charged Property comprised in an Apportioned Part as Unallocated Charged Properties;
- (f) each reallocation of Charged Property comprised in the Unallocated Charged Properties to an Apportioned Part; and
- (g) each reallocation of Charged Property from the Apportioned Part of one Beneficiary or group of Beneficiaries to another Beneficiary or group of Beneficiaries.

3.6 Inspection

The Group Borrower shall make the Security Register in respect of each Apportioned Part available for inspection by the relevant Beneficiaries (or the Agents acting on their behalf) and the Security Trustee at all reasonable times and upon reasonable notice during business hours at the registered offices of the Group Borrower from time to time. The Group Borrower shall make the Security Register in respect of the

Unallocated Charged Properties available for inspection on like terms by the Security Trustee.

3.7 Reconciliation

Not less than once in every successive period of six months falling after the date of the Original Security Trust Deed, the Group Borrower shall deliver to the Security Trustee, or procure the delivery to the Security Trustee of, a copy of the Security Registers and a note of any changes to the Security Registers since a copy was last delivered to the Security Trustee so as to enable the Security Trustee to reconcile its records to the Security Registers.

3.8 Reliance

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

4. APPLICATION OF PROCEEDS

- (a) Upon the Security Trustee becoming aware that the security constituted by the Security Documents has become enforceable in accordance with their respective terms, the Security Trustee shall notify each Beneficiary (or any Agent acting on its behalf) as soon as reasonably practicable that such security has become enforceable.
- (b) Any moneys received by the Security Trustee pursuant to the Security Documents or by any Receiver appointed pursuant to any Security Document shall be allocated by the Security Trustee in accordance with paragraphs (c), (d), (e), (f), (g), (h), (i) and (j) after payment of any Trustee Expenses on an ongoing basis. The Security Trustee shall in its absolute discretion determine the allocation of the Trustee Expenses amongst the various Apportioned Parts or Beneficiaries on the basis of the Overall Security Percentages and such determination shall be conclusive and binding on the Group Borrower, each Guarantor, each Agent and each Beneficiary.
- (c) Any moneys received by the Security Trustee or by any Receiver appointed by it pursuant to any Security Document (other than a Group Borrower Security Agreement, the Account Pledge and the Indemnities Agreement) in respect of any Beneficiary's (a **Specific Beneficiary**) Apportioned Part (together with the Related Security Assets) determined upon a Specific Apportionment Basis less the relevant Overall Security Percentage of Trustee Expenses as determined in accordance with paragraph (b) above (a **Specific Apportioned Part**) shall be applied by the Security Trustee in the following order of priority:
 - (i) **first**, in payment of any Specific Expenses and, if relevant, Valuer's Expenses relating to such Specific Beneficiary's Specific Apportioned Part;
 - (ii) **secondly**, in satisfaction when due of the Secured Liabilities owed to such Specific Beneficiary arising under or in connection with the Funding Agreement relating to such Specific Apportioned Part (the **Specifically Apportioned Funding Agreement**) in the order of priority set out therein;

- (iii) **thirdly**, in satisfaction when due of the Secured Liabilities owed to each Other Beneficiary arising under or in connection with the Other Loan Agreements in accordance with paragraph (e) below; and
 - (iv) **fourthly**, in payment of any surplus to the relevant Obligor.
- (d) Any moneys received by the Security Trustee or by any Receiver appointed pursuant to any Security Document (other than a Group Borrower Security Agreement, the Account Pledge and the Indemnities Agreement) in respect of the Residual Charged Properties (together with the Related Security Assets) less the aggregate of the relevant Overall Security Percentages of Trustee Expenses as determined in accordance with paragraph (b) above shall be applied by the Security Trustee in the following order of priority:
 - (i) **first**, in payment of any Specific Expenses relating to the Residual Charged Properties;
 - (ii) **secondly**, by allocating the balance among the NAB Beneficiaries by reference to their NAB Security Percentages so that the amount allocated to each NAB Beneficiary shall be applied in satisfaction when due of the Secured Liabilities owed to such NAB Beneficiary arising under or in connection with each Funding Agreement to which such NAB Beneficiary is a party (each a **Residual Loan Agreement**) in the order of priority set out therein (deducting for its own account, where appropriate, any Valuer's Expenses from the relevant NAB Beneficiary's allocation) (and so that, in each case, any surplus remaining after payment of all such Secured Liabilities shall be re-allocated among the remaining NAB Beneficiaries mutatis mutandis in accordance with the foregoing provisions). For the avoidance of doubt, no surplus amounts shall be reallocated by the Security Trustee until all Secured Liabilities have been fully discharged in connection with the relevant Residual Loan Agreement;
 - (iii) **thirdly**, in satisfaction when due of the Secured Liabilities owed to each Other Beneficiary arising under or in connection with the Other Loan Agreements in accordance with paragraph (e) below; and
 - (iv) **fourthly**, in payment of any surplus to the relevant Obligor.
- (e) Any moneys received by the Security Trustee or by any Receiver appointed pursuant to any Security Document (other than a Group Borrower Security Agreement, the Account Pledge and the Indemnities Agreement) and referred to in paragraphs 4(c)(iii) or 4(d)(iii) above, shall be applied by the Security Trustee in the following order of priority:
 - (i) **first**, in payment of any Trustee Expenses not already satisfied pursuant to paragraphs (b), (c) or (d) above or (f) and (g) below;
 - (ii) **secondly**, in payment of any Specific Expenses relating to the relevant Charged Properties not already satisfied pursuant to paragraphs (b), (c) or (d) above; and

- (iii) **thirdly**, by allocating the balance among the Other Beneficiaries whose Secured Liabilities have not been fully discharged under paragraphs 4(c)(ii) or 4(d)(ii) above by reference to their Overall Security Percentages so that the amount allocated to each Other Beneficiary shall be applied in satisfaction when due of the Secured Liabilities owed to such Other Beneficiary arising in connection with the relevant Other Loan Agreement in the order of priority set out therein (deducting for its own account, where appropriate, Valuer's Expenses from the relevant NAB Beneficiary's or Specific Beneficiary's allocation) (and so that, in each case, any surplus remaining after payment of all such Secured Liabilities when due shall be re-allocated among the remaining Other Beneficiaries *mutatis mutandis* in accordance with the foregoing provisions).
- (f) Any moneys received by the Security Trustee after the Enforcement Date in respect of the guarantee and indemnity set out in Clause 2 (Guarantee), to the extent such recoveries are not attributable to Charged Properties and/or Related Security Assets, less the aggregate of the relevant Overall Security Percentages of Trustee Expenses as determined in accordance with paragraph (b) above shall be applied in the following order of priority:
 - (i) **first**, in satisfaction *pro rata* when due of the outstanding amounts owed to each Beneficiary under the Funding Agreements as determined on the Enforcement Date (and so that, in each case, any surplus remaining after a payment of such outstanding amounts shall be re-allocated among the remaining Beneficiaries *pro rata*); and
 - (ii) **secondly**, in payment of any surplus to the relevant Obligor.
- (g) Any monies received by the Security Trustee or by any Receiver appointed pursuant to a Group Borrower Security Agreement in respect of the Group Borrower Security Assets less the aggregate of the relevant Overall Security Percentages of Trustee Expenses as determined in accordance with paragraph (b) above shall be applied by the Security Trustee in the following order of priority:
 - (i) **first**, in satisfaction *pro rata* when due of the Group Borrower Secured Liabilities owed to each Beneficiary under the Funding Agreements (and so that, in each case, any surplus remaining after a payment of such outstanding amounts shall be re-allocated among the remaining Beneficiaries *pro rata*); and
 - (ii) **secondly**, in payment of any surplus to the Group Borrower.
- (h) Any moneys received by the Security Trustee pursuant to the Account Pledge, to the extent such recoveries are not attributable to Charged Properties and/or Related Security Assets, less the aggregate of the relevant Overall Security Percentages of Trustee Expenses as determined in accordance with paragraph (b) above shall be applied in the following order of priority:

- (i) **first**, in satisfaction *pro rata* when due of the outstanding amounts owed to the EIB/Grant Beneficiaries and the Commercial Lender Beneficiaries under the Restated EIB Loan Agreement and the Restated Syndicated Loan Agreement, respectively, as determined on the Enforcement Date (and so that, in each case, any surplus remaining after a payment of such outstanding amounts shall be re-allocated among the remaining Beneficiaries *pro rata*); and
 - (ii) **secondly**, in payment of any surplus to the relevant Obligor.
- (i) Any moneys received by the Security Trustee pursuant to the Account Pledge, to the extent such recoveries are attributable to Charged Properties and/or Related Assets allocated on a Specific Apportionment Basis to a Specific Beneficiary, less the relevant Overall Security Percentage of Trustee Expenses as determined in accordance with paragraph (b) above shall be applied by the Security Trustee in the following order of priority:
 - (i) **first**, in payment of any Specific Expenses and, if relevant, Valuer's Expenses relating to such Specific Beneficiary's Specific Apportioned Part;
 - (ii) **secondly**, in satisfaction when due of the Secured Liabilities owed to such Specific Beneficiary arising under or in connection with the Specifically Apportioned Funding Agreement in the order of priority set out therein;
 - (iii) **thirdly**, in satisfaction when due of the Secured Liabilities owed to each Other Beneficiary arising under or in connection with the Other Loan Agreements in accordance with paragraph (e) above; and
 - (iv) **fourthly**, in payment of any surplus to the relevant Obligor.
- (j) Any moneys received by the Security Trustee pursuant to enforcement of a claim under the Indemnities Agreement, less any costs and expenses incurred by the Security Trustee in enforcing such a claim, shall be paid to the EIB/Grant Beneficiaries and the Commercial Lender Beneficiaries *pro rata* in accordance with the outstanding amounts owed to the EIB/Grant Beneficiaries and the Commercial Lender Beneficiaries under the Restated EIB Loan Agreement and the Restated Syndicated Funding Agreement, respectively, as determined on the date of receipt of the proceeds of such claim.
- (k) If, after the Enforcement Date, any Beneficiary (the **Recovering Beneficiary**) makes a recovery from any Guarantor in respect of the Secured Liabilities, whether directly or by the enforcement of the Security Documents or by set-off or by any other means (other than by reason of a receipt by the Security Trustee falling to be dealt with under this Deed) then:
 - (i) the Recovering Beneficiary will notify details to the Security Trustee within three Business Days;
 - (ii) the Security Trustee will then determine whether such recovery is in excess of the amount which the Recovering Beneficiary would have received had such recovery been effected by the Security

Trustee pursuant to the Security Documents and applied as provided for in the Security Documents and this Deed, and shall notify the Recovering Beneficiary accordingly;

- (iii) if any such excess is so determined by the Security Trustee, subject to paragraph (m) below, the Recovering Beneficiary will, as soon as practicable, pay an amount equal to the excess to the Security Trustee, retaining the balance in pro tanto satisfaction of the amount due to it;
- (iv) the Security Trustee shall treat such amount as if it were a recovery by it pursuant to the Security Documents and shall deal with it vis-à-vis all the Beneficiaries (other than the Recovering Beneficiary) in accordance with the other Security Documents and this Deed; and
- (v) after payment of such amount, the Recovering Beneficiary shall be subrogated to the portion of the claims paid under subparagraph (iv) above and the Guarantors will owe to the Recovering Beneficiary, on a joint and several basis, a debt which is equal to the payment, immediately payable and of the type discharged without any double counting. For the avoidance of doubt, the liabilities to the Recovering Beneficiary secured by the security granted for its benefit pursuant to the Security Documents shall include all amounts owed to that Beneficiary by way of subrogation as aforesaid.

(l) If:

- (i) a Recovering Beneficiary must subsequently return a recovery, or an amount measured by reference to a recovery, to any Guarantor; and
- (ii) the Recovering Beneficiary has paid an amount under paragraph (k)(iii) above in relation to that recovery,

the Security Trustee, to the extent the payment has not been distributed and each other Beneficiary, through the Security Trustee, shall, within three Business Days of demand by the Recovering Beneficiary, reimburse the Recovering Beneficiary all or the appropriate portion of the amount paid to that Beneficiary.

Thereupon, the subrogation in paragraph (k)(v) above will operate in reverse to the extent of the reimbursement.

- (m) (i) A Recovering Beneficiary need not pay a redistribution under paragraph (l) above to the extent that it would not, after the payment, have a valid claim against the relevant Guarantor in the amount of the redistribution pursuant to paragraph (k)(v) above.
- (ii) A Recovering Beneficiary is not obliged to share with any other Beneficiary any amount which the Recovering Beneficiary has received or recovered as a result of taking legal proceedings if the other Beneficiary had an opportunity to participate in those legal

proceedings but did not do so or did not take separate legal proceedings.

- (n) It is agreed by all Parties that each Specific Beneficiary has a prior ranking interest in such Beneficiary's Specific Apportioned Part and that the NAB Beneficiaries have a prior ranking interest in the Residual Charged Properties including any Related Security Assets and that the interests of the Other Beneficiaries, in each case, are subordinated to this prior claim in the manner set out in paragraphs (c), (d) and (e) above.
- (o) Not later than three Business Days after any Enforcement Date, each Beneficiary shall notify the Security Trustee of the total outstanding amount due to it under and in connection with each Funding Agreement to which it is a party as at the Enforcement Date, giving such details as the Security Trustee may reasonably require.
- (p)
 - (i) At any time after the security under the Security Documents in respect of the Residual Charged Properties has become enforceable and has been enforced, all (but not some) Beneficiaries under a particular Funding Agreement (or an Agent acting on their behalf) who have been allocated Charged Properties on a Numerical Apportionment Basis have the option of serving written notice to the Security Trustee asking for a specific allocation in respect of the NAB Charged Properties and upon receiving such request, the Security Trustee shall notify the other NAB Beneficiaries.
 - (ii) Where a NAB Beneficiary has requested an allocation as set out in subparagraph (i) above, all proceeds received in respect of the Residual Charged Properties (together with Related Security Assets) will continue to be allocated on a Numerical Apportionment Basis in accordance with paragraph (d) above while the allocations are being determined and until the Valuer, in his absolute discretion as the sole determining expert, has made a final and binding decision in accordance with paragraph (q) below and such decision has been notified to all affected Beneficiaries and the Group Borrower by the Security Trustee in accordance with Clause 3.1(c) above.
- (q)
 - (i) Where a NAB Beneficiary has requested specific allocation in accordance with paragraph (p)(i) above, the Security Trustee shall, where indemnified and/or secured and/or pre-funded to its satisfaction, appoint a third party Valuer (proposed by the Security Trustee and notified to all NAB Beneficiaries and the Group Borrower and, in the event of any disagreement as to the appointment, the firm finally determined by surveyors nominated by the President of the Royal Institution of Chartered Surveyors to be the most appropriate) who shall be deemed to act as expert and not as arbitrator to propose an allocation of Units for the particular NAB Beneficiary or NAB Beneficiaries.
 - (ii) The Group Borrower shall procure that the Valuer will undertake a Valuation Report and obtain as accurate information as possible regarding the performance of the Units comprised in the NAB

Charged Properties. The allocation will then take place as follows:

- (A) **first**, each NAB Beneficiary (or Agent acting on its behalf) must be allocated no less than the number of Units allocated to it in its most recent Apportionment Certificate; and
 - (B) **secondly**, and only to the extent that it does not distort the allocations determined by the number of Units above, the profile of each allocation of Properties must be substantially similar, in the absolute discretion of the Valuer and taking into account the Value, rental income, age, type, location, Related Security Assets, the proportion of EUV-SH NAB Charged Properties and MV-ST NAB Charged Properties to the total number of Units comprised in the Residual Charged Properties and any other factors considered to be relevant by the Valuer (acting in good faith) relating to the Properties.
- (iii) The allocation as determined by the Valuer will be distributed by the Security Trustee to all the NAB Beneficiaries for their review. All NAB Beneficiaries shall have the opportunity to submit written comments to the Valuer within 30 days of the distribution of the proposed allocation. The Group Borrower shall procure that the Valuer shall use its best endeavours to consider all the written comments sent to it by the NAB Beneficiaries and respond to such written comments within 30 days of receipt of the same. Notwithstanding the NAB Beneficiaries' right to send comments to the Valuer, the decision of the Valuer on such allocation shall be final and binding on all NAB Beneficiaries and not subject to appeal and all NAB Beneficiaries agree and acknowledge the Valuer's decision as solely determined and conclusive.
- (iv) Upon a final and binding decision being made by the Valuer, in accordance with the provisions of this paragraph (q) and notified to all affected Beneficiaries (copied to the Group Borrower) by the Security Trustee in accordance with Clause 3.1(c) above, the NAB Beneficiary or NAB Beneficiaries (or Agent on its or their behalf) requesting specific allocation shall be deemed to be entitled to the Charged Properties that they were allocated in the final allocation on a Specific Apportionment Basis and will thereafter receive those proceeds relating to such Charged Properties to which it is entitled in accordance with the provisions of this Deed on an absolute and unconditional basis free and clear of any claim, interference or contingency whatsoever. The remaining NAB Beneficiaries (if any) will continue to receive proceeds allocated on a Numerical Apportionment Basis (unless there is only one remaining NAB Beneficiary, in which case the remaining NAB Charged Properties will be treated as allocated to such NAB Beneficiary on a Specific Apportionment Basis). Until the notification by the Security Trustee of the final allocation, the proceeds will be allocated as set out in paragraph (p)(ii) above.

(v) In the event that all the NAB Beneficiaries have had the NAB Charged Properties allocated to them on the Specific Apportionment Basis, the Unallocated Charged Properties will be allocated on the same basis as set out in this paragraph (q) amongst the Beneficiaries who were NAB Beneficiaries immediately prior to the last request for specific allocation.

(r) In the case of any Funder which has appointed an Agent to act as agent on its behalf under any Loan Agreement, where the provisions of this Deed require such Funder to take any action, issue or execute any notices, instructions, requests or documents or give or withhold its consent or agreement, such Funder shall act for such purposes exclusively through its Agent and the Agent shall, and shall be empowered to, take such action, issue or execute such notice, instruction, request or document or give or withhold consent or agreement, in each case, on behalf of such Funder in accordance with the provisions of such Funding Agreement having regard for the interests of the other Funders, if any, party thereto.

5. SECURITY TRUSTEE'S POWERS AND DUTIES

5.1 Powers and Duties of Security Trustee

The Security Trustee shall hold the guarantees and security created under the Security Documents on trust for the benefit of itself and the other Beneficiaries on the terms and subject to the conditions of this Deed and the other Security Documents and shall exercise such rights, powers, remedies and discretions that are specifically created under this Deed and the other Security Documents together with any incidental rights, powers and discretions.

5.2 All action through the Security Trustee

None of the Beneficiaries shall have any independent power to enforce this Deed (other than in respect of a demand made pursuant to Clause 2 (*Guarantee*)) or any of the Security Documents or to exercise any rights, discretions or powers or to grant any consents or releases under or pursuant to this Deed or any of the Security Documents or otherwise have direct recourse to the guarantees or security constituted by any of the Security Documents unless the Security Trustee, having become bound to act, fails to do so within a reasonable period and such failure is continuing. Any action taken by the Security Trustee in accordance with this Deed or the Security Documents shall be binding on all the Beneficiaries.

5.3 Duty to act as directed

(a) The Security Trustee shall only be required to take such action (including, without limitation, the exercise of all rights, discretions or powers and the granting of consents or releases) or, as the case may be, refrain from taking such action under or pursuant to this Deed and the other Security Documents (other than in circumstances where it is necessary for the Security Trustee to protect its own position and interests in its personal capacity (including its own personal financial interest) or which the Security Trustee determines to be necessary or appropriate to exercise for the protection of its positions and interests in its personal capacity):

(i) in respect of any demand or claim and the timing, determination and/or exercise of any claim under any guarantee contained within

any Security Document, acting on the written instructions of any Beneficiary (or Agent on its behalf);

- (ii) in respect of the Group Borrower Security Assets:
 - (A) on the written instructions of any Beneficiary (or Agent acting on its behalf) regarding the timing and determination of an enforcement event; and
 - (B) on the joint written instructions of all the Beneficiaries (and/or by any Agent acting on behalf of any relevant Beneficiary's behalf) (or, to the extent that such joint instructions cannot be agreed, the joint written instructions of a majority of the Beneficiaries (and/or by any Agents acting on their behalf)) regarding the manner of management and disposal of such Group Borrower Security Assets by the Security Trustee and the appointment of a Receiver over all or part of the Group Borrower Security Assets;
- (iii) in respect of a Specific Apportioned Part and Related Security Assets, acting on the written instructions of the relevant Specific Beneficiary (or Agent on its behalf), including, without limitation, regarding the appointment of a Receiver or the manner in which the Security Trustee should manage or dispose of the Properties within such Specific Apportioned Part including the Related Security Assets; or
- (iv) in respect of the Residual Charged Properties including the Related Security Assets:
 - (A) on the written instructions of any NAB Beneficiary (or Agent acting on its behalf) regarding the timing and determination of an enforcement event; and
 - (B) on the joint written instructions of all the NAB Beneficiaries (and/or by any Agents acting on any relevant NAB Beneficiary's behalf) (or, to the extent that such joint instructions cannot be agreed, the joint written instructions of a majority (by reference to NAB Security Percentages) of the NAB Beneficiaries (and/or by any Agents acting on their behalf)) regarding the manner of management and disposal of such Properties by the Security Trustee and the appointment of a Receiver over all or part of the Residual Charged Properties including the Related Security Assets,

and the Security Trustee will not be liable to any person if it acts in accordance with the instructions of the relevant Beneficiary (or Agent acting on its behalf) as indicated above in connection with the exercise of any right or power or any matter not expressly provided for in this Deed and, in each case, only if it shall be indemnified and/or secured and/or prefunded to its satisfaction.

The Security Trustee shall be entitled to seek clarification from the relevant Beneficiaries (and/or from any Agents acting on their behalf) with regard to any such instructions and may, in its discretion, elect not to act pending receipt of such clarification from the relevant Beneficiary (or Agent acting on its behalf).

(b) In the event that a Receiver or administrator is appointed under the Security Documents or (if applicable) an administrator is appointed under the Insolvency Act 1986 and:

- (i) the instructions regarding the manner of management and disposal of the Residual Charged Properties (and Related Security Assets) are provided by joint written instructions of a majority of the NAB Beneficiaries (and/or by any Agents acting on their behalf) pursuant to paragraph 5.3(a)(iv)(B) above;
- (ii) any NAB Beneficiary (or Agent acting on its behalf) requests in writing specific allocation in accordance with Clause 4(p)(i) of this Deed;
- (iii) any NAB Beneficiary (or Agent acting on its behalf) makes any written request of the Security Trustee including, but not limited to, any request regarding management or allocation of proceeds and whether or not supported by the majority of the NAB Beneficiaries; or
- (iv) any Specific Beneficiary (or Agent on its behalf) gives written instructions in respect of its Specific Apportioned Part,

the Security Trustee shall act accordingly and, as soon as reasonably practicable, fully inform such Receiver or administrator of the instructions or requests set out above.

The Security Trustee shall be entitled to seek clarification from the relevant Beneficiaries (and/or from any Agents acting on their behalf) with regard to any such instructions and may, in its discretion, elect not to act pending receipt of such clarification from the relevant Beneficiary (or Agent acting on its behalf).

5.4 Protections

Where there are any inconsistencies between the Trustee Acts and the provisions of this Deed, the provisions of this Deed shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of this Deed shall constitute a restriction or exclusion for the purposes of that Act. In particular, the Parties hereby agree that Section 1 of the Trustee Act 2000 shall not apply. The Security Trustee shall have all the powers conferred upon trustees by the Trustee Acts and by way of supplement thereto, it is expressly declared as follows:

- (a) the Security Trustee may, in relation to any of the provisions of this Deed and the other Security Documents, act on the opinion or advice of, or any information obtained from, any lawyer, valuers, surveyor, broker, auctioneer, accountant or other expert whether obtained by an Obligor or by the Security Trustee or otherwise and whether addressed to the Security Trustee or not, and shall not be responsible for any loss occasioned by so

acting (regardless of whether or not such opinion, advice or information contains a cap or other limitation (monetary or otherwise) on the liability of any person);

- (b) any opinion, advice or information obtained pursuant to the foregoing paragraph (a) may be sent or obtained by letter, telex message, email, facsimile transmission, 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 although the same shall contain some error or shall not be authentic;
- (c) the Security Trustee may call for and shall be at liberty to accept as sufficient evidence a certificate or notice (including but not limited to a notice in respect of the release of Charged Properties) signed by any two authorised signatories or directors of an Obligor or the Group Borrower and one authorised signatory or director of any Beneficiary (in accordance with the relevant Funding Agreement) or any certificate or notice of any Valuer 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;
- (d) the Security Trustee may refrain from doing anything which would or might 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 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;
- (e) the Security Trustee shall not be bound to give notice to any person of the execution of any documents comprised or referred to in this Deed and the other Security Documents (other than as expressly required herein or therein) or to take any steps to ascertain whether any Default, event of default or potential event of default (howsoever defined in the relevant Finance Document) or any event which causes or may cause a right on the part of the Security Trustee to become exercisable has happened and, until it shall have actual knowledge or express notice pursuant to this Deed to the contrary, the Security Trustee shall be entitled to assume that no Default, event of default or potential event of default (howsoever defined in the relevant Finance Document) has occurred or event has happened and that each of the parties are observing and performing all their respective obligations under any Funding Agreement and this Deed and, if it does not have actual knowledge or express notice as aforesaid, the Security Trustee shall not be bound to give notice thereof;
- (f) the Security Trustee shall be at liberty (at its sole discretion) to place all title deeds and other documents certifying, representing or constituting the title to any of the property charged pursuant to the Security Documents for the time being in its hands in any safe deposit, safe or receptacle selected by the Security Trustee or with any bank or company whose business includes undertaking the safe custody of documents or solicitor or firm of solicitors and may at its discretion make any such arrangements as it thinks fit for allowing any Obligor or its solicitors and auditors access to or possession of such title deeds and other documents when necessary or

convenient and the Security Trustee shall not be responsible for any Liability incurred in connection with any such deposit, access or possession and the Group Borrower shall pay all sums reasonably required to be paid on account of or in respect of any such deposit. For the avoidance of doubt, the Security Trustee in its capacity as trustee or otherwise in respect of the Security Documents is not under any obligation to hold any title deed or any other document in connection with the property charged by any Security Document or any other such security in its own possession;

- (g) save as otherwise expressly provided in this Deed and the other Security Documents, but only as between the Security Trustee and the Beneficiaries, the Security Trustee shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Deed and the other Security Documents and every such determination whether made upon a question actually raised or implied in the acts or proceeds of the Security Trustee shall be conclusive and shall bind the Security Trustee and the Beneficiaries save for manifest error;
- (h) save as expressly otherwise provided in this Deed and the other Security Documents, the Security Trustee shall have absolute and uncontrolled discretion as to the exercise or non-exercise of its trusts, rights, powers, authorities and discretions under this Deed and the other Security Documents (the exercise or non-exercise of which as between the Security Trustee and the Beneficiaries shall be conclusive and binding on the Beneficiaries) and shall not be responsible for any inconvenience or Liability which may result from their exercise or non-exercise;
- (i) any trustee of this Deed and the other Security Documents, being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his firm in connection with this Deed or any other Security Document and also his proper charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection with this Deed or any other Security Document;
- (j) the Security Trustee may whenever it thinks fit delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of these presents or not) all or any of its trusts, rights, powers, authorities and discretions under this Deed or any other Security Document. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Security Trustee may in the interests of the Beneficiaries think fit. The Security Trustee shall not be under any obligation to supervise the proceedings or acts of any such delegate or sub delegate or be in any way responsible for any Liability incurred by reason of any misconduct, omission or default on the part of any such delegate or sub-delegate. The Security Trustee shall within a reasonable time after any such delegation or any renewal, extension or termination thereof give notice thereof to the Obligors;
- (k) any corporation into which the Security Trustee shall be merged or with which it shall be consolidated or any company resulting from any such merger or consolidation shall be a party hereto and shall be the Security

Trustee under this Deed without executing or filing any paper or document or any further act on the part of the parties hereto;

- (l) nothing in this Deed or any other Security Document shall require the Security Trustee, and the Security Trustee shall not be bound, to do anything which may cause it to expend or risk its own funds or otherwise incur any Liability in the performance of any of its duties or in the exercise of any of its rights, powers, authorities or discretions or otherwise in connection with this Deed or any other Security Document, if it shall believe that repayment of such funds is not assured to it or it is not indemnified and/or secured and/or prefunded to its satisfaction against such Liability and, for this purpose, the Security Trustee may demand prior to taking any such action, that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so to indemnify and/or secure and/or pre-fund it;
- (m) the Security Trustee may in the conduct of the trusts pursuant to the Security Documents instead of acting personally employ and pay an agent whether being a solicitor or other 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. The Security Trustee shall not be under any obligation to supervise the proceedings or acts of any such agents or be in any way responsible for any Liability incurred by reason of any misconduct, omission or default on the part of any such agent;
- (n) 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;
- (o) the Security Trustee shall not be obliged:
 - (i) to insure any of the property charged pursuant to the Security Documents;
 - (ii) to require any other person to maintain any insurance; or
 - (iii) to verify any obligation to arrange or maintain insurance contained in any Security Document,

and the Security Trustee shall not be liable for any damages, costs or losses to any person as a result of the lack of, or inadequacy of, any such insurance; and

- (p) where the Security Trustee is named on any insurance policy as an insured party, it shall not be liable for any damages, costs or losses to any person as a result of its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind. The Security Trustee shall be under no obligation to ascertain whether any notice which is required to be given to, or acknowledgement obtained from any underwriters, insurers, re-insurers or brokers has been given to or, as the case may be, obtained from, such underwriters, insurers, re-insurers or brokers nor shall the Security Trustee be responsible or liable to make any payments to such persons in respect of any insurances of the premiums due in respect thereof.

5.5 Performance by the Obligors

Except as herein expressly provided, the Security Trustee is hereby authorised and it shall be entitled to assume without enquiry (in the absence of knowledge by it or any express notice to it to the contrary) that the Group Borrower and each Guarantor is duly performing and observing all the covenants, conditions, provisions and obligations contained in this Deed and the Security Documents to which it is party and/or in respect of the Secured Liabilities and on its part to be performed and observed.

6. TRUST AND PROCEEDINGS

6.1 Trust

The Security Trustee shall hold the guarantees and security constituted by the Security Documents on trust for itself and the Beneficiaries in accordance with and subject to this Deed.

6.2 Proceedings

The Security Trustee shall not enforce the security constituted by any Security Document or take any other action under or in relation to this Deed or any Security Document except as directed in accordance with Clause 5.3 (*Duty to act as directed*) above and then only if it shall be indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable and which it may incur by so doing.

6.3 Duration

The trust constituted by this Deed shall remain in full force and effect until whichever is the earlier of:

- (a) the expiration of a period of 125 years from the date of this Deed; and
- (b) the date on which the Security Trustee receives unconditional confirmation in writing from all the Beneficiaries that no Secured Liabilities remain outstanding, such confirmation to be provided by the Beneficiaries promptly after the occurrence of the same,

and the Parties declare that the perpetuity period applicable to this Deed shall for the purposes of the Perpetuities and Accumulations Act 2009 be the period of 125 years.

7. REMUNERATION AND INDEMNIFICATION OF SECURITY TRUSTEE

7.1 Remuneration

The Group Borrower shall pay to the Security Trustee remuneration for its services, as, at such rate and to be paid on such dates as may from time to time be agreed between the Group Borrower and the Security Trustee. In the absence of any agreement to the contrary, such remuneration shall be payable in advance on 17th November in each year. Such remuneration shall accrue from day to day and be payable up to and including the date when the Secured Liabilities have been discharged in full and the security created pursuant to the Security Documents has been released and/or reassigned, provided that if subsequently any further action is required of the Security Trustee, remuneration will commence again to accrue.

7.2 Additional Remuneration

In the event of the security constituted by any of the Security Documents becoming enforceable, the occurrence of a Default or the Security Trustee being requested by any Obligor or any Beneficiary or considering it necessary or expedient to undertake duties which the Security Trustee determines to be of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee under the Security Documents and this Deed, the Group Borrower shall pay to the Security Trustee such additional remuneration as shall be agreed between them (and which may be calculated by reference to the Security Trustee's normal hourly rates from time to time).

7.3 Value Added Tax in respect of Remuneration

The Group Borrower shall in addition pay to the Security Trustee an amount equal to the amount of any value added tax or similar tax chargeable in respect of its remuneration under this Deed on receipt of a value added tax invoice.

7.4 Remuneration Disputes

In the event of the Security Trustee and the Group Borrower, as appropriate, failing to agree (in a case to which Clause 7.2 (*Additional Remuneration*) is applicable), such matter shall be determined by a person (acting as an expert and not as an arbitrator) selected by the Security Trustee and approved by the Group Borrower, as appropriate, 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 expenses involved in such nomination and the fees of such person being payable by the Group Borrower) and the determination of any such person shall be final and binding upon the Security Trustee and the Group Borrower, as appropriate.

7.5 Security Trustee's Expenses

Without prejudice to any similar liability contained in any Security Document and the right of indemnity by law given to trustees, the Group Borrower shall also pay or discharge all Liabilities incurred by the Security Trustee and every Appointee and keep it or him indemnified against all Liabilities to which it or he may be or become subject or which may become subject or which may be incurred by it or him in relation to the preparation and execution of, the exercise of its or his rights, powers, trusts, authorities and discretions and the performance of its or his duties under, and in any other manner in relation to, this Deed or any other Security Document, including but not limited to legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Security Trustee and every Appointee in connection with any legal proceedings brought or contemplated by or on behalf of the Security Trustee and every Appointee for enforcing, or resolving about doubt concerning, or for any other purpose in relation to, the other Security Documents and this Deed.

7.6 Timing of Payments

All costs, charges, Liabilities and expenses properly incurred and payments made by the Security Trustee in the exercise of the rights, powers and duties conferred upon it by the other Security Documents and this Deed and all remuneration payable to the Security Trustee shall be payable by the Group Borrower within 30 Business Days after demand and, in the case of the payments actually made by the Security Trustee prior to such demand, shall, if not paid within 30 Business Days after such demand,

carry interest at the rate of two per cent. per annum above the base rate (on the date on which payment was made by the Security Trustee) of HSBC Bank plc from the date of the same being demanded, and in all other cases shall carry interest at such rate from the date 30 days after the date of the same being demanded or (where the demand specifies that payment be made on an earlier date) from such earlier date.

7.7 Indemnification

- (a) Without limiting the liability of the Group Borrower under the Finance Documents, each Beneficiary shall, promptly on demand, indemnify and/or secure and/or pre-fund the Security Trustee for that Beneficiary's proportion of any Liability incurred by the Security Trustee in any way relating to or arising out of its acting as the Security Trustee (except to the extent any such cost, charge, liability or other expense results from the gross negligence or wilful default of the Security Trustee).
- (b) A Beneficiary's proportion of the Liability set out in subparagraph (a) above will be dependent upon the action on the part of the Security Trustee causing the Liability to arise and the Security Assets involved. As between the Beneficiaries and the Security Trustee but without limiting the liability of the Group Borrower therefor, any NAB Beneficiary requesting specific allocation in accordance with Clause 4(p) above shall be responsible for indemnifying and/or securing and/or pre-funding the Security Trustee against the fees and expenses of the Valuer in undertaking such allocation. Otherwise the principles in Clauses 4(b), (c), (d) and (e) in respect of priority of application of proceeds of security will be applied by the Security Trustee in determining the extent of any Beneficiary's proportion of the Liability which determination shall be conclusive and binding on the Beneficiaries in the absence of manifest error. The Security Trustee shall notify the Beneficiaries of their respective proportions of any Liability promptly after determination thereof.

7.8 Provisions Continuing

Unless otherwise specifically stated in any discharge of the other Security Documents and this Deed the provisions of this Clause 7 shall continue in full force and effect notwithstanding such discharge.

8. SECURITY TRUSTEE'S LIABILITY

8.1 Standard of Care

Nothing contained in the Security Documents shall in any case in which the Security Trustee has failed to show the degree of care and diligence required of it as trustee of the Security Documents having regard to the provisions of the Security Documents conferring on it any trusts, powers, authorities or discretions exempt the Security Trustee from or indemnify it against any liability in respect of such failure or, in any case, for breach of trust of which it may be guilty in relation to its duties under the Security Documents.

8.2 Consequential Loss

Subject to Clause 8.1 (*Standard of Care*), the Security Trustee shall not in any event be liable for any special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to loss of profits) and regardless of whether the

claim for loss or damage is made in negligence, for breach of contract or otherwise. However, this Clause 8.2 shall not apply in the event of a determination of fraud on the part of the Security Trustee.

8.3 Delegation

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 powers, authorities and discretions which are for the time being exercisable by the Security Trustee under this Deed in relation to the Security Assets or any part thereof. Any such delegation may be made upon such terms (including power to sub-delegate) and subject to such regulations as the Security Trustee may think fit. The Security Trustee shall not be in any way liable or responsible to any Obligor for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

8.4 Responsibility for documentation

The Security Trustee shall not be responsible to any other Party for:

- (a) the execution, genuineness, validity, enforceability or sufficiency of any Finance Document or any other document;
- (b) the collectability of amounts payable under any Finance Document; or
- (c) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document.

8.5 Exoneration

- (a) Without limiting paragraph (b) below and without prejudice to Clause 8.1 (*Standard of Care*) above, the Security Trustee will not be liable to any other Party for any action taken or not taken by it under, or in connection with, any other Security Document, unless directly caused by its wilful default, fraud or its gross negligence.
- (b) No Party may take any 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 (including gross negligence or wilful default) by that officer, employee or agent in relation to this Deed or any Security Document. However, this paragraph (b) shall not apply in the event of a determination of fraud, gross negligence or wilful default on the part of the Security Trustee.

8.6 Reliance

The Security Trustee may:

- (a) rely on any notice or document believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper person;
- (b) rely on any statement made by a director or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify; and

- (c) engage, pay for and rely on legal or other professional advisers selected by it (including those in the Security Trustee's employment and those representing a Party other than the Security Trustee).

8.7 Credit approval and appraisal

Without affecting the responsibility of the Group Borrower for information supplied by it under, or in connection with, any Finance Document, each Party (other than the Security Trustee) confirms that:

- (a) it has made its own independent investigation and assessment of the financial condition and affairs of each Obligor and related entities in connection with its participation in any relevant Finance Document; and
- (b) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities.

8.8 Information

- (a) The Security Trustee shall as soon as reasonably practicable forward to the person concerned the original or a copy of any document which is delivered to the Security Trustee by a Party for that person.
- (b) The Security Trustee is not obliged to review or check the accuracy or completeness of any document it sends to another Party.
- (c) Except as provided above, the Security Trustee has no duty:
 - (i) either initially or on a continuing basis to provide any Beneficiary with any credit or other information concerning the financial condition or affairs of any Obligor or its related entities, whether coming into its possession before, on or after the date of the Original Security Trust Deed; or
 - (ii) unless specifically requested to do so by a Beneficiary in accordance with the express terms of this Deed, to request any certificates or other documents from any Obligor.
- (d) Each Obligor covenants that it shall send to each Beneficiary (or Agent on its behalf) copies of each communication that it sends to the Security Trustee under this Deed and the Security Documents, at the same time that it sends such communications to the Security Trustee, provided that each Obligor shall not be obliged to report more frequently than semi-annually in relation to changes to the Security Register and matters required to be recorded on the Security Register.

8.9 Conflict

The Security Trustee may:

- (a) carry on any business with any Obligor or its related entities;
- (b) act as agent or trustee for, or in relation to any financing involving, any Obligor or its related entities;

- (c) retain any profits or remuneration in connection with its activities under the Finance Documents or in relation to any of the foregoing; and
- (d) release any guarantee or any Charged Property and Related Security Assets or any Group Borrower Security Assets in accordance with this Deed and the other Security Documents and/or re-allocate Charged Properties and Related Security Assets pursuant to this Deed.

8.10 Security Trustee

- (a) Without prejudice to Clause 8.1 (*Standard of Care*), the Security Trustee is not liable for any failure, omission or defect in perfecting the security constituted by any Security Document, including failure to (i) register the same in accordance with the provisions of any of the documents of title or title deeds of any Obligor to any of the property thereby charged or (ii) effect or procure registration of or otherwise protect any Security Document or any security created by a Security Document under the Land Registration (Scotland) Act 1979 or any other registration laws in any jurisdiction.
- (b) The Security Trustee may accept without enquiry such title as any Obligor may have to the Security Assets.
- (c) The Security Trustee will use all reasonable care to ensure the safe custody of all such title deeds, Finance Documents and other documents which are in its possession but will not be liable for the damage or destruction of any such deeds or documents save where caused by the gross negligence of the Security Trustee or any of its employees, servants or agents.
- (d) Save as otherwise provided in the Finance Documents, all moneys which under the trusts therein contained are received by the Security Trustee in its capacity as trustee or otherwise may be invested in the name of or under the control of the Security Trustee either (i) in any investments for the time being authorised by English law for the investment by trustees of trust money or (ii) in any other investments, in each of cases (i) and (ii) above, as directed by the relevant Beneficiaries (or any Agent acting on their behalf), or which may be selected by the Security Trustee. Additionally, the same may be placed on deposit in the name of or under the control of the Security Trustee, but only if directed by the relevant Beneficiaries at such bank or institution (including the Security Trustee or one of its Affiliates) and upon such terms, as directed by the relevant Beneficiaries or, as the Security Trustee may think fit.

9. WAIVER; AUTHORISATION; MODIFICATIONS

9.1 Variations

The Security Trustee shall, but only on the written instructions of all the Beneficiaries (or Agents acting on their behalf) communicated in writing, and without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time and subject to being indemnified and/or secured and/or pre-funded to its satisfaction, waive or authorise on such terms and subject to such conditions as all the Beneficiaries may specify any breach or proposed breach by any Obligor or any other party of any of the covenants or provisions contained in the other Security Documents and this Deed provided however that if the matter relates to a Charged Property and any Related Security Assets, then the written instructions of the

Beneficiaries required shall be as set out in Clause 5.3 (*Duty to act as directed*). Any such waiver or authorisation shall be binding upon the other Parties and shall be notified to the other Parties by the Group Borrower as soon as practicable thereafter.

9.2 Amendments

The Security Trustee shall, but only on the instructions of all the Beneficiaries (or Agents acting on their behalf) from time to time communicated in writing (or if and to the extent expressly authorised by any other provision of any relevant Security Document), concur with the Group Borrower and/or any other person in making any amendment or modification to the other Security Documents and this Deed provided as aforesaid in Clause 9.1 (*Variations*) (subject in all cases to being indemnified and/or secured and/or pre-funded to its satisfaction). Any such modification shall be binding upon the other Parties and shall be notified to the other Parties by the Group Borrower as soon as practicable thereafter.

10. SECURITY TRUSTEE'S RETIREMENT AND REMOVAL

- (a) The Security Trustee may retire at any time on giving not less than 60 days' prior written notice to the other Beneficiaries and the Group Borrower without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement.
- (b) The Beneficiaries may remove the Security Trustee for the time being of this Deed following consultation with the Group Borrower and by giving 90 days' prior written notice.
- (c) The Group Borrower undertakes that in the event of the only security trustee of this Deed which is a Trust Corporation giving notice under this Clause or being removed by the Beneficiaries it will use its best endeavours to procure that a new security trustee of this Deed being a Trust Corporation is appointed as soon as reasonably practicable thereafter. The retirement or removal of any such security trustee shall not become effective until a successor security trustee being a Trust Corporation is appointed. If, in such circumstances, no appointment of such a new security trustee has become effective within 30 days of the date of the relevant notice, the Security Trustee shall be entitled to appoint a Trust Corporation as security trustee of this Deed, but no such appointment shall take effect unless previously approved by the Beneficiaries.
- (d) The retiring Security Trustee must, at the Group Borrower's cost, make available to the successor Security Trustee such documents and records and provide such assistance as the successor Security Trustee may reasonably request for the purposes of performing its functions as the Security Trustee under the Finance Documents.
- (e) Upon its resignation becoming effective, the Security Trustee, subject to paragraph (d) above, will have no further obligations under any Finance Document. Upon its resignation becoming effective, the indemnities and protections in favour of the Security Trustee set out in this Deed will continue to benefit the retiring Security Trustee in respect of any action taken or not taken by it in connection with the Finance Documents while it was the Security Trustee, and, subject to paragraph (d) above, it will have no further obligations under any Finance Document.

11. SECURITY TRUSTEE'S ADDITIONAL POWERS

The powers conferred upon the Security Trustee by the other Security Documents and this Deed shall be in addition to any powers which may from time to time be vested in the Security Trustee by the general law or as a party to any of the other Finance Documents.

12. TRANSFERS

12.1 Successors and Assigns

This Deed is binding on the successors and permitted transferees and assigns of the Parties hereto.

12.2 Transfer by the Beneficiaries

Each Party to this Deed agrees and acknowledges that the Beneficiaries may assign or transfer their respective rights, liabilities and/or obligations under this Deed in accordance with the provisions of the relevant Funding Agreement provided that (i) such assignment or transfer is in connection with the disposal of corresponding rights, liabilities and/or obligations under the relevant Funding Agreement (including, an assignment by way of security to any security agent of a Funder) and (ii) the person to whom such assignment or transfer is made accedes to this Deed by delivering to the Security Trustee a duly dated and executed Deed of Accession in the form of Schedule 3. Each Party irrevocably authorises the Security Trustee to accept such Deed of Accession (in the form of Schedule 3) on its behalf provided that such authorisation does not extend to the acceding party named in such Deed of Accession.

12.3 References to a Party following a transfer

If any Party transfers all or any of its rights and/or obligations as provided in Clauses 10 or 12.2, all relevant references in this Deed and the other Security Documents to such Party shall thereafter be construed as a reference to such Party and/or the new Party to the extent of their respective rights and/or obligations and, in the case of a transfer of all or part of such Party's rights or obligations, the other parties to this Deed and the other Security Documents shall thereafter look only to the new Party in respect of that proportion of that Party's rights or obligations under this Deed and/or any relevant Security Documents as corresponds to the rights or obligations assumed by such new Party.

12.4 No assignment by the Group Borrower or a Guarantor

Neither the Group Borrower nor any Guarantor may assign or transfer any of its rights or obligations under this Deed.

13. EFFECT OF THIS DEED AND CHANGE OF PARTIES

13.1 Consent and agreement to arrangements

Each of the Parties joins in this Deed for the purpose of acknowledging the provisions of this Deed and undertakes with the Security Trustee and each of the other Parties to observe the provisions of this Deed at all times and not in any way to prejudice or affect the enforcement of such provisions or do or suffer anything within its control which would be in breach of the terms of this Deed.

13.2 New Parties

Without prejudice to Clause 12.2 (*Transfer by the Beneficiaries*):

- (a) subject to the terms of any Finance Document, the Group Borrower may propose that any entity becomes a Funder, Agent or Guarantor provided that (i) the other provisions of this Deed are complied with, including, without limitation, Clause 3.1 and (ii) in the case of an Additional Guarantor, such entity is (x) a member of the Group, (y) a charity and (z) a Registered Social Landlord;
- (b) the Group Borrower will procure that any entity which becomes a Funder or an Agent under or in respect of any Funding Agreement after the date of this Deed, executes and delivers a Deed of Accession in the form set out in Schedule 1; and
- (c) the Group Borrower will procure that any entity which becomes a Guarantor after the date of this Deed, executes and delivers a Security Agreement in the form set out in Schedule 4.

14. NOTICES

- (a) Any communication in connection with this Deed must be in writing and, unless otherwise stated, may be given in person, by post, by fax or by email.
- (b) Unless it is agreed to the contrary, any consent or agreement required under this Deed must be given in writing.
- (c) Except as provided below, the contact details of each Party for all communications in connection with this Deed are those notified by that Party for this purpose to the Security Trustee on or before the date it becomes a Party.
- (d) The contact details of each Party for this purpose are set out under its name in the execution clause or in its Deed of Accession (as applicable).
- (e) Except as provided below, any communication in connection with this Deed will be deemed to be given as follows:
 - (i) if delivered in person, at the time of delivery;
 - (ii) if posted, five days after being deposited in the post, postage prepaid, in a correctly addressed envelope;
 - (iii) if by fax, when received in legible form; and
 - (iv) if by email, when received in readable form.

A communication given under this paragraph (e) but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.

- (f) A communication to the Security Trustee or a Beneficiary (or an Agent on its behalf) will only be effective on actual receipt by it.

15. **FURTHER ASSURANCES**

Each Obligor shall, at its own expense, take whatever action the Security Trustee or a Receiver or any Beneficiary may reasonably require for:

- (a) perfecting or protecting the security intended to be created by the Security Documents to which it is party over any Security Asset or any part thereof; or
- (b) facilitating the realisation of any Security Asset or the exercise of any right, power or discretion exercisable, by the Security Trustee or any Receiver or any of its or their delegates or sub-delegates in respect of any Security Asset,

including, without limitation, the execution of any transfer, conveyance, disposition, assignment, assignation or assurance of any property whether to the Security Trustee or to its nominees, and the giving of any notice, order or direction and the making of any registration, which, in any such case, the Security Trustee or any Beneficiary may reasonably require.

16. **INDEMNITY**

The Group Borrower shall indemnify on demand the Security Trustee and every Appointee appointed by it under this Deed and the other Security Documents (each an **Indemnified Party**) against all Liabilities (including legal fees) properly incurred by it or him in the execution of the rights, powers and trusts contained in this Deed and the other Security Documents or of any rights, powers, authorities or discretions vested in it or him pursuant to this Deed and the other Security Documents and against all Liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted to be done in any way relating to this Deed and the other Security Documents.

17. **COUNTERPARTS**

This Deed may be executed in any number of counterparts, and by the Parties on separate counterparts, each of which shall constitute an original but all of which taken together shall be deemed to constitute one and the same instrument.

18. **GOVERNING LAW**

This Deed, and any non-contractual obligations or matters arising from or connected with it, is governed by, and shall be construed in accordance with, English law.

19. **SUBMISSION TO JURISDICTION**

Each of the Parties hereto irrevocably agrees that the courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed (including a dispute relating to any non-contractual obligations arising out of or in connection with this Deed) and accordingly submit to the exclusive jurisdiction of the English courts. Each of the Parties waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Security Trustee may take any suit, action or proceeding arising out of or in connection with this Deed against each of the other Parties in any other court of competent jurisdiction and concurrent proceedings in any number of jurisdictions.

20. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

IN WITNESS whereof this Deed has been executed as a deed by the Parties and entered into the day and year first above written.

SCHEDULE 1

FORM OF DEED OF ACCESSION

THIS DEED OF ACCESSION dated [•] is supplemental to an amended and restated security trust deed (the Deed) dated [•] 2016 made between, inter alios, Prudential Trustee Company Limited as security trustee and Wheatley Funding No. 1 Limited as group borrower (as the same may from time to time be amended, restated, novated or supplemented).

Words and expressions defined in the Deed have the same meaning when used in this Deed of Accession.

1. [On the date hereof [•] (the **Existing Counterparty**) has transferred [all/a portion] of the £[•] facility provided] [its notes issued pursuant to [•]] on [•] to [•] (the **New Counterparty**). [On the date hereof [•] (the **Existing Counterparty**) has resigned as Agent under the Finance Documents to which it is a party.]]
2. [[•] (the **New Counterparty**)] [The New Counterparty], in its capacity as [•] under the [Additional] Funding Agreement [(as designated below)] hereby agrees with each other person who is or who becomes a party to the Deed that, with effect on and from the date hereof, it will observe and be bound by the Deed [and the other Finance Documents (excluding any Standard Security which shall be transferred from the Existing Counterparty to the New Counterparty pursuant to its own terms)] as an [Additional Funder][Agent] as if it had been an original party to the Deed in that capacity.
3. [The following agreement is hereby designated as an **Additional Funding Agreement** for the purposes of the Deed:

[describe agreement]]
4. The address for notices of the New Counterparty for the purposes of Clause 14 of the Deed [and the other Finance Documents to which the [Security Trustee][Agent] is expressed to be a party] is:

[•]

This Deed of Accession shall be read as one with the Deed so that any reference therein to "this Deed" and similar shall include and be deemed to include this Deed of Accession.

This Deed of Accession may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and any party may enter into this Deed of Accession by executing a counterpart.

This Deed of Accession, and any non-contractual obligations or matters arising from or connected with it, is governed by and shall be construed in accordance with, English law.

EXECUTED and DELIVERED

as a **DEED** by [•]
acting by two directors
Director [•]

Director [•]

SCHEDULE 2

ADDITIONAL PROPERTY CONDITIONS PRECEDENT

1. A certified copy of the consent of the Regulator under Section 107 of the Housing (Scotland) Act to the entry into by such Guarantor of each Standard Security.
2. A Valuation of each Charged Property the subject of the Standard Security addressed to the Security Trustee and dated no earlier than three months prior to the date on which the additional Charged Properties are to be charged confirming the Value of the additional Charged Properties based on a valuation conducted pursuant to the relevant bases for the purposes of the Funding Agreements.
3. A Certificate of Title relating to the title and ancillary matters relating to the Charged Properties, duly prepared and executed by the solicitors acting for such Guarantor, which may be on the basis of a sample of the additional Charged Properties to be charged if agreed between the relevant Guarantor and the Security Trustee.
4. If required, a sampling methodology letter duly prepared by the relevant Guarantor and the solicitors acting for such Guarantor and executed by the relevant Guarantor setting out the basis of any agreed sampling of the additional Charged Properties for the purposes of a Certificate of Title in the form agreed between the relevant Guarantor and the Security Trustee.
5. A Letter of Undertaking comprising a letter of obligation relating to the title, Land Register applications and registrations (and where applicable recording in the Register of Sasines) of all Standard Securities and registration in the Land Register or the Register of Sasines as appropriate of all relevant discharges as referred to in paragraph 8 of this Schedule 2 relating to the Charged Properties, duly executed by the solicitors acting for such Guarantor.
6. Searches against the relevant Guarantor with the Financial Conduct Authority or in the Companies Registry (Register of Charges and Company File) showing no impediment to the valid grant by such company of the relevant Standard Security.
7. Evidence of an effective discharge of all standard securities (other than pursuant to a Security Document) affecting such Guarantor's interests in the additional Charged Property together with all relevant forms duly completed and a cheque in respect of any registration/recording dues applicable from the solicitors acting for such Guarantor or, in connection with any existing floating charge, deliver a certificate of non-crystallisation from, and, where appropriate, the necessary consent of the relevant chargee in respect thereof.
8. Delivery of validly executed Standard Securities in terms of the reasonable satisfaction of the Security Trustee.

SCHEDULE 3

CHARGED PROPERTIES INCLUDED IN THE APPORTIONED PART

To: [[•] as [agent][noteholder representative] for the [Funders]][[Lender] as [lender][note purchaser]] under the [loan][note purchase] agreement between, *inter alios*, [•] and [•] dated [•] (the **Funding Agreement**)

From: [Wheatley Funding No. 1 Limited]

Amended and Restated Security Trust Deed dated [•] 2016 (as supplemented, amended, restated and novated, the Security Trust Deed) entered into by, inter alios, Wheatley Funding No.1 Limited and Prudential Trustee Company Limited

Words and expressions used in this certificate have the same meaning when used in the Funding Agreement or in the Security Trust Deed, as relevant.

This is the certificate referred to in Clause 3 of the Security Trust Deed.

In accordance with the Security Trust Deed, the following Charged Properties have been allocated to your Apportioned Part as at the date of this certificate.

[list Charged Properties for SAB or number of Units for NAB]

As at today's date:

The total number of Units comprising the Charged Properties is [•].

The total number of Units allocated on a Specific Apportionment Basis is [•].

The total number of Units comprised in the Residual Charged Properties is [•].

The total number of Units comprised in the Unallocated Charged Properties is [•].

Signed by (certifying for the benefit of the Security Trustee that the above is correct):

.....
Wheatley Funding No. 1 Limited
as Group Borrower

Agreed by:

.....
[•]
[[•] as [agent][noteholder representative] for the [Funders]][[Funder] as [lender][note purchaser]]
under the Funding Agreement.

Receipt acknowledged by:

.....
Prudential Trustee Company Limited
as Security Trustee

SCHEDULE 4
FORM OF SECURITY AGREEMENT

SECURITY AGREEMENT

DATED [•]

[NAME OF OBLIGOR]

as Chargor

and

PRUDENTIAL TRUSTEE COMPANY LIMITED

as Security Trustee

and

WHEATLEY FUNDING NO. 1 LIMITED

as Group Borrower

subject to an Amended and Restated Security Trust Deed dated[•] 2016

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AGREEMENT BETWEEN:

- (1) **[NAME OF OBLIGOR]**, a charitable registered social landlord registered as [a registered society under the Co-operative and Community Benefit Societies Act 2014][a company limited by guarantee under the Companies Act 2006] (registered number [•]) with its registered office at [•] (the **Chargor**);
- (2) **PRUDENTIAL TRUSTEE COMPANY LIMITED** whose registered office is at Laurence Pountney Hill, London, EC4R 0HH as trustee of the security constituted under this Deed for itself and the Beneficiaries (as defined below) in accordance with the Security Trust Deed (the Security Trustee, which expression shall include any person or company for the time being appointed as trustee or as an additional trustee of the security hereby created and any subsequent successors, transferees and assignees thereof); and
- (3) **WHEATLEY FUNDING NO. 1 LIMITED**, a company limited by guarantee registered under the Companies Act 2006 (registered number SC469961) with its registered office at Wheatley House, 25 Cochrane Street, Glasgow G1 1HL (the **Group Borrower**).

BACKGROUND:

The Chargor [is a party][, by its entry into this Agreement, wishes to accede] to the amended and restated security trust deed dated [•] 2016 between, inter alios, the Security Trustee and the Group Borrower (the **Security Trust Deed**) and wishes to create security under this Agreement to be held pursuant to the terms thereof.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement:

Abbreviated Certificate of Title means an abbreviated form of Certificate of Title as such form is specified by the Security Trustee from time to time;

Additional Guarantor means each member of the Group which accedes to the Security Trust Deed in its capacity as Guarantor;

Additional Funder means an entity which becomes a party to a Funding Agreement, in its capacity as lender, arranger, provider of hedging arrangements, or, as the case may be, the purchaser or holder of notes of any series, and accedes to the Security Trust Deed;

Additional Funding Agreement means any other loan agreement and/or hedging arrangement and/or note purchase agreement entered into after the date of the Security Trust Deed between a Funder or Funders, an Agent, if any, and the Group Borrower, to which the Security Trustee may be a party, for the purpose of, or in connection with, the proposed or actual making of any loan advances to, or the issuance of notes by, the Group Borrower and designated by the parties thereto as an Additional Funding Agreement;

Agent means an entity which acts in its capacity as facility agent or noteholder representative for any Funder party to a Funding Agreement and accedes to the Security Trust Deed in accordance with the terms thereto;

Appointee means any attorney, manager, agent, delegate, nominee, custodian, receiver or other person appointed by the Security Trustee under the Security Trust Deed or the other Security Documents;

Approved Tenancy Agreement has the meaning given to it in the Security Trust Deed;

Associate has the meaning given to that term by Section 256 of the Companies Act 2006;

Beneficiary means:

- (a) the Bond Issuer and the Security Trustee (individually and, in the case of the Bond Issuer, in its capacity as lender for the benefit of the Group Borrower pursuant to or in connection with the Original Bond Loan Agreement);
- (b) EIB, the Grant Provider and the Security Trustee (collectively and (a) in the case of the EIB, in its capacity as lender for the benefit of the Group Borrower pursuant to or in connection with the Restated EIB Loan Agreement and (b) in the case of the Grant Provider, in its capacity as provider of the Contingent Efficiencies Grant);
- (c) the Restated Syndicated Loan Agent, the Overdraft Bank, Nationwide, RBS and Bank of Scotland and the Security Trustee (collectively and, in the case of Nationwide, RBS and Bank of Scotland, in their capacity as lenders for the benefit of the Group Borrower pursuant to or in connection with the Restated Syndicated Loan Agreement and, in the case of the Restated Syndicated Loan Agent and the Overdraft Bank, in their capacity as agent and overdraft bank, respectively, pursuant to or in connection with the Restated Syndicated Loan Agreement); and
- (d) each Additional Funder, the Security Trustee and each Agent acting on behalf of any such Funder (either individually or, where the context requires, collectively and, in the case of each Additional Funder, in the capacity of lender, arranger, provider of hedging arrangements, or, as the case may be, the purchaser or holder of notes of any series, for the benefit of the Group Borrower pursuant to or in connection with an Additional Funding Agreement).

Certificate of Title means a certificate of title addressed to the Security Trustee and the Beneficiaries in a form acceptable to the relevant Beneficiaries at the time it is so addressed and substantially in the form set out in the Security Trust Deed;

Charged Property means all interests of the Chargor in any property held on 'ownership' or leasehold tenure charged pursuant to a Security Document which complies with any relevant requirements of the Finance Documents and all buildings, fixtures, fittings (other than tenants' fixtures and fittings) and fixed plant and machinery from time to time thereon (and **Charged Properties** shall be construed accordingly);

Contingent Efficiencies Grant means the contingent efficiencies grant dated 7th March, 2003 between GHA and the Grant Provider, as amended and restated from 31st March, 2009 and as further amended by a supplemental agreement dated 29th April, 2010 and 5th May, 2010 and by an amendment agreement dated on or about 28th November, 2014.

Default has the meaning given to it in the Security Trust Deed;

Event of Default has the meaning given to it in the Security Trust Deed;

Fee Letter has the meaning given to that term in the relevant Funding Agreement;

Finance Documents means:

- (a) each Funding Agreement
- (b) each Agent Appointment Agreement;
- (c) each Fee Letter;
- (d) each Transfer Certificate;
- (e) each Security Document; and
- (f) any other document designated as a Finance Document in accordance with the terms of a Funding Agreement;

Fixtures means, in relation to any heritable or leasehold property charged by or over which security is granted pursuant to the Security Documents, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time thereon owned by the Chargor;

Funders means the Original Lenders, the Grant Provider and each Additional Funder;

Grant Provider means the Scottish Ministers (as defined in section 44 of the Scotland Act 1998; Group means the Group Parent, its Subsidiaries and its Associates from time to time;

Group Parent means Wheatley Housing Group Limited, a company limited by guarantee registered in Scotland under the Companies Act 2006 (registered number SC426094);

Guarantor means, at any time, the Original Guarantors and each Additional Guarantor;

Housing (Scotland) Act means the Housing (Scotland) Act 2010;

Insurances means all contracts and policies of insurance of whatever nature which are from time to time taken out by or with the authority and on behalf of the Chargor in connection with the Mortgaged Property;

Letter of Undertaking has the meaning given to it in the Security Trust Deed;

Letting Document means any lease, tenancy or licence to occupy or any agreement for any of the same from time to time granted or entered into by the Chargor or any

predecessor in title of the Chargor in respect of the Mortgaged Property referred to in Clause 3 and any licence, consent or approval given thereunder;

Funding Agreement means the Original Loan Agreements, the Grant Agreement and each Additional Funding Agreement;

Mortgaged Property means any property in Scotland held on 'ownership' or leasehold tenure to be secured by way of a Standard Security pursuant to this Agreement;

NSSE Property means any heritable property situated in Scotland belonging to a Guarantor in respect of which the Guarantor has received a grant pursuant to the Scottish Government's New Supply Shared Equity Scheme Administrative Procedures;

Obligor means the Group Borrower and each Guarantor;

Original Guarantors means [the Chargor,] [The Glasgow Housing Association Limited,] [Cube Housing Association Limited,] [West Lothian Housing Partnership Limited,] [Loretto Housing Association Limited] [,] and][Dunedin Canmore Housing Limited] [and Barony Housing Association Limited]¹;

Original Lender means Wheatley Group Capital plc, European Investment Bank, Nationwide Building Society, The Royal Bank of Scotland plc and Bank of Scotland plc;

Original Bond Loan Agreement means the loan agreement dated 28th November, 2014 between the Bond Issuer as lender and the Group Borrower;

Original Loan Agreements means the Original Bond Loan Agreement, the Restated EIB Loan Agreement and the Restated Syndicated Loan Agreement;

Overdraft Bank means The Royal Bank of Scotland plc in its capacity as overdraft bank under the Restated Syndicated Loan Agreement;

Planning Acts means the Town and Country Planning (Scotland) Act 1997, the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997, the Planning (Hazardous Substances) (Scotland) Act 1997, the Planning (Consequential Provisions) (Scotland) Act 1997 and the Planning Etc. (Scotland) Act 2006 and shall include any orders, rules and regulations made under or by virtue of such Acts or any of them;

Premises means all buildings and erections for the time being comprised within the definition of Security Assets;

Property means all interests of each Guarantor in any property located in Scotland held on 'ownership' or leasehold tenure, now or in the future belonging to it excluding any interest of a Guarantor in any NSSE Property, and all buildings, fixtures, fittings (other than tenants fixtures and fittings) and fixed plant and machinery from time to time thereon (and Properties shall be construed accordingly);

Registered Social Landlord means a social landlord registered with the Regulator as such pursuant to Section 20 of the Housing (Scotland) Act (or any replacement or successor legislation thereto);

¹ Delete as applicable depending on which entity is the Chargor.

Relevant Agreement means each agreement or contract listed in Part 3 of the Schedule;

Request means any request for further advances made by the Group Borrower to any Funder under, and pursuant to the terms of, a Funding Agreement;

Restated EIB Loan Agreement means the facilities agreement dated 8th March, 2003 between The Glasgow Housing Association (Funding) Limited as borrower, Bank of Scotland plc and The Royal Bank of Scotland plc as arrangers, the original lenders named therein, The Royal Bank of Scotland plc as agent and Bank of Scotland plc as security agent, as amended and restated by agreements dated 21st November, 2007 and 6th May, 2010, and by agreement dated 28th November, 2014 under and pursuant to which the parties to the Restated EIB Loan Agreement (therein named a finance contract) are The European Investment Bank as the bank, the Group Borrower as borrower, Wheatley Housing Group Limited as parent and the authorised borrowers named therein.

Restated Syndicated Loan Agent means The Royal Bank of Scotland plc in its capacity as agent under the Restated Syndicated Loan Agreement;

Restated Syndicated Loan Agreement means the facilities agreement dated 8th March, 2003 between The Glasgow Housing Association (Funding) Limited as borrower, Bank of Scotland plc and The Royal Bank of Scotland plc as arrangers, the original lenders named therein, The Royal Bank of Scotland plc as agent and Bank of Scotland plc as security agent, as amended and restated by agreements dated 21st November, 2007 and 6th May, 2010, and by agreement dated 28th November, 2014 under, and pursuant to, which the parties to the Restated Syndicated Loan Agreement are Wheatley Housing Group Limited as Parent, the Group Borrower as borrower, the original guarantors therein mentioned, Bank of Scotland plc, The Royal Bank of Scotland plc and Nationwide Building Society as arranger, the original lenders therein mentioned, The Royal Bank of Scotland plc as agent and Prudential Trustee Company Limited as security trustee.

Right to Buy means the right of a tenant of a Property:

- (a) to buy that property from an Obligor under Part 3 of the Housing (Scotland) Act 1987, Part 2 of the Housing (Scotland) Act 2001 or Part 14 of the Housing (Scotland) Act 2010 (or any similar right replacing those rights) or under any contract conferring such a right and including, without limitation, such rights preserved notwithstanding any previous transfers of that property to the relevant Obligor from any local authority;
- (b) to acquire an interest in that property from an Obligor by means of a shared-ownership lease where the terms of any such lease comply with the regulatory requirements of the Regulator; or
- (c) to buy or acquire an interest in that property from an Obligor under any voluntary scheme approved by the relevant Beneficiaries;

Schedule means the schedule comprising five parts annexed and executed as relative hereto;

Security Documents means:

- (a) this Deed; and

(b) any Standard Security;

Secured Liabilities means, in relation to any Obligor, all present and future obligations and liabilities (whether actual or contingent) owed by such Obligor and/or owed by the Group Borrower to any Beneficiary under the Finance Documents;

Security Assets means all assets, rights, property and undertakings of the Chargor charged or the subject of any security created under or pursuant to the Security Documents;

Security Interest means any standard security, mortgage, pledge, lien, charge, assignation, hypothecation or security interest, or any other agreement having the effect of conferring security;

Security Period means the period beginning on the date of execution hereof and ending on the date upon which the Security Trustee receives confirmation in writing from all of the Beneficiaries that all the Secured Liabilities 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 Properties means the heritable properties listed in Part 1 of the Schedule;

Shared Ownership Property means any Properties acquired by an Obligor then being occupied on shared ownership terms or in respect of which the relevant Obligor grants a lease on shared ownership terms so that the Obligor holds, or is intending to hold upon disposal on shared ownership terms, less than 100 per cent. of the heritable interest in that Property and the purchaser of the balance of that heritable interest has the right to acquire a further portion of the relevant Obligor's retained heritable interest;

Standard Security means a first-ranking standard security substantially in the form set out in Part 2 of the Schedule;

Subsidiary in relation to the Group Parent and the Guarantor, has the meaning given to that term in Section 164 of the Housing (Scotland) Act and, in relation to the Group Borrower and any Beneficiary, means an entity of which a person has direct and indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar rights of ownership and control for this purpose means the powers to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise;

Taxes has the meaning given to it in each Funding Agreement; and

Transfer Certificate has the meaning given to that term in the relevant Funding Agreement.

1.2 Construction

(a) The provisions of Clause 1.2 (*Construction*) of the Security Trust Deed apply to this Agreement as though they were set out in full in this Agreement except that references to **this Agreement** shall be construed as references to this Agreement.

(b) Unless otherwise defined or the contrary intention appears, a term used in any other Finance Document or in any notice given under, or in connection

with, any Finance Document has the same meaning in this Agreement as in that Finance Document or notice.

- (c) If the Security Trustee, having taken legal advice where appropriate, considers that an amount paid to the Security Trustee or the Beneficiaries for application in or towards repayment of the Secured Liabilities is capable of being, and is likely to be, avoided or otherwise set aside on the liquidation or administration of the Chargor or any other Obligor or otherwise, then such amount shall not be considered to have been irrevocably paid for the purposes hereof.
- (d) The rights, obligations, liabilities, responsibilities, protections, powers, exoneration of, and exercise of any discretion and standard of care to be expected from, the Security Trustee are in each case subject to the Security Trust Deed and, in the event of conflict between this Agreement and the Security Trust Deed, the Security Trust Deed will prevail in all respects.

1.3 Certificates

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

2. [ACCESSION TO SECURITY TRUST DEED

The Chargor hereby agrees with each other person who is or who becomes a party to the Security Trust Deed that, with effect on and from the date hereof, it will observe and be bound by the Security Trust Deed (including without limitation, Clause 2 (*Guarantee*)) as an Additional Guarantor as if it had been an original party to the Deed in that capacity.]

3. STANDARD SECURITY

The Chargor hereby undertakes to grant forthwith at the request of the Security Trustee, as security for the payment and discharge of all Secured Liabilities, Standard Securities over all the Security Properties.

4. CONTINUING SECURITY, ETC.

4.1 Continuing security

The security constituted by the Security Documents shall be continuing and will extend to the ultimate balance of all Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

4.2 Reinstatement

- (a) Where any discharge (whether in respect of the obligations of the Chargor 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 the Chargor under this Agreement 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.

4.3 Immediate recourse

The Chargor waives any right it may have of first requiring the Security Trustee or any Beneficiary (or any Agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any other person before enforcing the security constituted by the Security Documents.

4.4 Additional security

This Agreement is in addition to and is not in any way prejudiced by any other guarantee or security now or hereafter held by the Security Trustee or any of the Beneficiaries.

5. REPRESENTATIONS AND WARRANTIES

5.1 To whom made

The Chargor makes the representations and warranties set out in the balance of this Clause 5 to the Security Trustee for the benefit of itself and the Beneficiaries which shall remain in force so long as the Secured Liabilities are outstanding.

5.2 Matters represented

(a) The Mortgaged Property

Save as disclosed in any Certificate of Title relating to the Mortgaged Property provided on or prior to the date of this Agreement and subject to the terms of the Finance Documents:

- (i) the Chargor has good and marketable title to the property referred to in Part 1 of the Schedule, subject to any rights accruing to tenants in relation to the Right to Buy and Shared Ownership Properties;
- (ii) 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 all material respects in respect of 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 all material respects in respect of all developments, alterations and improvements to the Mortgaged Property save where such building regulations or bylaws did not apply to the Chargor or its predecessors at the relevant time and they have also been complied with in respect of the use of the Mortgaged Property;
- (iii) there are no obligations, undertakings, agreements, stipulations, reservations, conditions, interest, rights or other matters whatsoever affecting the Mortgaged Property which materially and adversely affect or are reasonably likely materially and adversely to affect the value of the Mortgaged Property taken as a whole or of any part of it or the security constituted by this Deed;

- (iv) 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 and adversely affects or is reasonably likely materially and adversely to affect the value of the Mortgaged Property taken as a whole or of any part of it or the security constituted by this Deed;
- (v) subject to any rights accruing to tenants under any Right to Buy or Shared Ownership Property, the Chargor has received no valid 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
- (vi) the Mortgaged Property will from the date hereof be free from any Security Interest or any tenancies or licences other than those permitted or created under the Finance Documents.

(b) Security

Subject to (a) registration at [the Financial Conduct Authority][Companies House] and (b) the entering into of the Standard Securities by the Chargor and the registration thereof in the Land Register of Scotland or General Register of Sasines, as applicable, the Security Documents create those Security Interests they purport to create ranking as set out above and there is no reason why any of them is liable to be avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise.

5.3 Times for making representations and warranties

The representations and warranties set out in this Clause 5:

- (a) will survive the execution of each Finance Document and each drawdown under each Funding Agreement; and
- (b) are made on the date hereof and are deemed to be repeated on the date of each Request, the date the Chargor makes request for financial accommodation under any other Finance Document and the first day of each funding, interest or calculation period under any other Finance Document with reference to the facts and circumstances then existing.

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 the Chargor to the Security Trustee for the benefit of itself and the Beneficiaries.

6.2 Maintenance of Property

The Chargor will:

- (a) **Repair:** insofar as it is within the Chargor's control pursuant to the terms of the Letting Documents, keep the Premises in good and tenable repair and condition and keep the Fixtures and all plant, machinery, implements and other effects for the time being owned by it and which are affixed to, 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) or procure the same except where the Premises are awaiting or in the course of development or redevelopment in accordance with its Business Plan until such development or redevelopment is completed;
- (b) **Insurance:** insofar as it is within the Chargor's control pursuant to the terms of the Letting Documents, insure and keep insured or procure the insurance of the Premises and all its other assets of an insurable nature therein against loss or damage by fire and other risks normally insured against by persons carrying on the same class of business as that carried on by it and in such amounts as is usual for prudent persons carrying on the same class of business as that carried on by it with such insurance company or underwriters as may be acceptable to the Security Trustee and effect and maintain, to the satisfaction of the Security Trustee, insurance against such other risks as the Security Trustee shall require. All moneys which may at any time hereafter be received or receivable under any insurance in respect of the Premises or such other assets whether or not effected pursuant to the foregoing provisions shall (unless otherwise required by any Letting Document or title provision) be applied in replacing, restoring or reinstating the Premises or assets destroyed or damaged or in such manner as the Security Trustee may agree or, after an Event of Default which is outstanding if the Security Trustee so directs and the terms of the relevant insurances so permit, in or towards satisfaction of the Secured Liabilities;
- (c) **Taxes and outgoings:** pay or procure to be paid 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 (save to the extent that payment of the same is being contested in good faith);
- (d) **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;
- (e) **Notices:** within 30 days after the receipt by the Chargor 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, order or notice when aggregated with others outstanding at that time in respect of the Charged Properties (as defined in the Security Trust Deed) is in excess of £100,000 (indexed) give written notice thereof to the Security Trustee and also (within seven 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;
- (f) **Statutes:** duly and punctually perform and observe or procure to be performed and observed all its obligations in connection with the

Security Assets under any present or future statute or any regulation, order or notice made or given thereunder;

(g)

Leases:

- (i) in all respects comply with the requirements of each of the Finance Documents in respect of the grant of leases, tenancies or licences and in addition not (except as authorised by each of the Finance Documents) 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 renunciation of any lease or tenancy or confer upon any person any contractual licence or right to occupy the Mortgaged Property other than in the form of an Approved Tenancy Agreement or on terms which confer no fewer material rights on the Chargor as the lessor or licensor and impose no material obligations on the Chargor additional to those set out in an Approved Tenancy Agreement or as provided in the Finance Documents and provided, on request by the Security Trustee it notifies the Security Trustee of all leases, tenancies, licences or rights to occupy granted or surrendered by it and, if so requested by the Security Trustee, provided it sends a copy thereof to the Security Trustee forthwith upon request;
- (ii) not without the prior written consent of the Security Trustee (except as authorised by each of the Finance Documents) accept or agree to accept the surrender or alteration of any of the Letting Documents which materially and adversely affects or is reasonably likely to affect materially and adversely the value of, or render less marketable or non-mortgageable, the Mortgaged Property taken as a whole or of any material part of it and observe and perform all the undertakings, conditions, agreements and obligations on its part in all material respects; and
- (iii) enforce and not waive or release the undertakings, 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 and adversely affects or is reasonably likely to affect materially and adversely the value of the Mortgaged Property taken as a whole or of any material part of it;

(h)

Deposit of title deeds: deposit with the Security Trustee all title deeds and title documents relating to the Mortgaged Property (and it is hereby agreed that the Security Trustee shall be entitled to hold the same during the Security Period);

(i)

Compliance with obligations: duly and punctually perform and observe or procure to be performed and observed in all material respects all obligations and stipulations restrictive or otherwise affecting all or any material part of the Mortgaged Property;

(j)

Investigation of title: after the occurrence of an Event of Default which is continuing, grant the Security Trustee or its lawyers on request all such facilities within the power of the Chargor 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 security holder. All expenses incurred by the Security Trustee in relation to such investigations and enquiries shall be paid by the Chargor; and

- (k) **Report on title:** after the occurrence of a Event of Default which is continuing, as soon as practicable after demand by the Security Trustee, provide the Security Trustee with a report as to the title of the Chargor to the Mortgaged Property and other property which is or may be subject to this security and related matters concerning the items which may properly sought to be covered by a prudent security holder in a lawyer's report of this nature provided that no such report may be required where there has already been an investigation of title under paragraph (j) above.

6.3 Negative Pledge and Disposals

- (a) The Chargor shall not create or permit to subsist any Security Interest on any of the Security Assets except for those Security Interests which are permitted under each of the Finance Documents.
- (b) The Chargor shall not sell, transfer, grant or lease or otherwise dispose of all or any part of the Security Assets without the prior written consent of the Security Trustee or as permitted under each of the Finance Documents (other than the grant of lettings with tenancy agreements in the form of an Approved Tenancy Agreement or on terms which confer no fewer material rights on the Obligor as the lessor or licensor and impose no material obligations on the Obligor additional to those set out in an Approved Tenancy Agreement).

7. POWER TO REMEDY

In case of default by the Chargor in repairing or keeping in repair or insuring the Mortgaged Property or any material part thereof or in observing or performing any of the obligations, undertakings or stipulations affecting the same, the Chargor 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 the Chargor 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 consider necessary or desirable to prevent or remedy any breach of obligation, undertaking or stipulation or to comply with or object to any notice. The Chargor will indemnify and keep the Security Trustee indemnified and/or secured and/or pre-funded against all losses, costs, charges and expenses incurred in connection with the exercise of the powers contained in this Clause 7.

8. WHEN SECURITY BECOMES ENFORCEABLE

At any time after (i) the occurrence of an Event of Default which is continuing and (ii) the service of a demand for payment on the Chargor by the Security Trustee under the guarantee and indemnity contained in Clause 2 (*Guarantee*) of the Security Trust Deed, the security created by or pursuant to the Security Documents will be immediately enforceable and the Security Trustee may, without notice to the Chargor or any prior authorisation from any court, in its absolute discretion, enforce all or any part of that security (at the times, in the manner and on the terms it thinks fit and in

accordance with the Security Trust Deed) and take possession of and hold or dispose of all or any part of the Security Assets.

After the security constituted hereby has become enforceable, subject to the terms of the Finance Documents, the Security Trustee may in its absolute discretion enforce all or any part of such security in such manner as it sees fit in accordance with the provisions of the Security Trust Deed.

9. SECURITY TRUSTEE

The Security Trustee shall have and be entitled to exercise all of the powers set out in this Clause 9 at any time after the security created by any Standard Security becomes enforceable by the Security Trustee in relation to the whole of such Security Assets or any part thereof, subject to the provisions of the Conveyancing and Feudal Reform (Scotland) Act 1970, namely:

- (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 the Chargor 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 it may in its absolute discretion think fit;
- (c) **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 it shall think proper. Without prejudice to the generality of the foregoing it 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 it may think fit. Fixtures, other than landlords' or tenants' fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor;
- (d) **Leases:** to let all or any part of the Security Assets for such term and at such rent (with or without a premium), rent free period or other inducement as it may think proper and to vary the terms of such leases to accept a renunciation of any lease or tenancy thereof on such terms as it may think fit (including the payment of money to a lessee or tenant on a surrender);
- (e) **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 the Chargor or relating in any way to the Security Assets or any part thereof;
- (f) **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 it to be expedient;

- (g) **Receipts:** to give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising the Security Assets; and
- (h) **General powers:** to do all such other acts and things as it 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 by virtue of this Agreement, to exercise in relation to the Security Assets or any part thereof all such powers, authorities and things as it would be capable of exercising if it were the absolute beneficial owner of the same and to use the name of the Chargor for all or any of such purposes.

10. APPLICATION OF PROCEEDS

After the security constituted by the terms of the Security Documents shall have become enforceable, any moneys received by the Security Trustee shall be applied by the Security Trustee in the order set out in Clause 4 (*Application of Proceeds*) of the Security Trust Deed (but without prejudice to the right of the Security Trustee or the Beneficiaries to recover any shortfall from the Chargor).

11. NO LIABILITY AS CREDITOR IN POSSESSION

The Security Trustee and the Beneficiaries shall not be liable to account as a creditor in possession or be liable for any loss on realisation or for any default or omission for which a creditor in possession might be liable. The Chargor alone shall be responsible for its contracts, engagements, acts, omissions, defaults and losses and for Liabilities incurred by it and neither the Security Trustee nor the Beneficiaries shall incur any Liability therefor (either to the Chargor or to any other person whatsoever) for any reason whatsoever.

12. PROTECTION OF THIRD PARTIES

No purchaser, mortgagee or other person or company dealing with the Security Trustee or its agents shall be concerned to enquire whether the Secured Liabilities have become payable or whether any power which the Security Trustee is purporting to exercise has become exercisable or whether any money remains due under the Finance Documents or to see to the application of any money paid to the Security Trustee.

13. EXPENSES

The amount of all such fees, liabilities, claims, demands, costs, charges, expenses (including Taxes) incurred by and payments made by the Security Trustee in the lawful exercise of the powers hereby conferred whether or not occasioned by any act, neglect or default of the Chargor shall be payable by the Chargor promptly following demand.

14. INDEMNITY

The Security Trustee and the Beneficiaries and every Appointee (each an **Indemnified Party**) shall be entitled to be indemnified and/or secured and/or pre-funded out of the Security Assets in respect of all Liabilities and expenses properly incurred by them in the execution, or purported execution in good faith, of any of the powers, authorities or discretions vested in them pursuant hereto or pursuant to the Security Trust Deed or

any other Security Document and against all Liabilities, 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 Beneficiaries and any such Appointee may retain and pay all sums in respect of the same out of any moneys received under the powers hereby conferred.

15. DELEGATION BY SECURITY TRUSTEE

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 powers, authorities and discretions which are for the time being exercisable by the Security Trustee under this Agreement in relation to the Security Assets or any part thereof. Any such delegation may be made upon such terms (including power to sub-delegate) and subject to such regulations as the Security Trustee may think fit. The Security Trustee shall not be in any way liable or responsible to the Chargor for any Liability, loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

16. FURTHER ASSURANCES

16.1 General

The Chargor 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 by the Security Documents or in pursuance thereof 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 powers, authorities and discretions vested in the Security Trustee or any part thereof or in any such delegate or sub-delegate as aforesaid. To that intent, the Chargor shall in particular execute all transfers, conveyances, dispositions, assignments 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 think expedient.

16.2 Additional Security

Without prejudice to the generality of Clause 16.1 (*General*), the Chargor will forthwith at the request of the Security Trustee execute such Standard Securities in respect of such Properties, Relevant Agreements and Letting Documents as the Chargor may from time to time during the Security Period possess in favour of the Security Trustee (as agent and trustee as aforesaid) in such form as the Security Trustee may require (without prejudice to the generality pursuant to Clause 3.3 of the Security Trust Deed) and the terms of said Clause 3.3 shall apply to the grant of any such Standard Security which the Security Trustee may request in terms of this clause.

17. REDEMPTION OF PRIOR ENCUMBRANCES

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

18. POWER OF ATTORNEY

18.1 Appointment

The Chargor hereby in order more fully to secure the performance of its obligations hereunder irrevocably appoints the Security Trustee and every such delegate or sub-delegate as aforesaid to be its attorney acting severally, and on its behalf and in its name or otherwise to execute and do all such assurances, acts and things which the Chargor ought to do under the undertakings and provisions contained in this Agreement (including, without limitation, to make any demand upon or to give any notice or receipt to any person owing moneys to the Chargor and to execute and deliver any 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 powers, authorities and discretions conferred by or pursuant to this Agreement or by statute on the Security Trustee or any such 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 deem proper in or for the purpose of exercising any of such powers, authorities and discretions.

18.2 Ratification

The Chargor hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in Clause 18.1 (Appointment) shall do, or purport to do, in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in such.

19. 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 the Beneficiary may open a new account or accounts with the Chargor. If the Security Trustee or a 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 the relevant 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 Agreement is security.

20. STAMP DUTIES

The Chargor shall pay and, forthwith on demand, indemnify the Security Trustee and the Beneficiaries 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 Agreement.

21. ASSIGNATIONS, ETC.

21.1 The Security Trustee

The Security Trustee may assign and transfer all of its respective rights and obligations hereunder to a replacement Security Trustee in accordance with the Security Trust Deed. Upon such assignment and transfer taking effect, the replacement Security Trustee shall be and be deemed to be acting as trustee for the Beneficiaries

(as well as for itself) for the purposes of this Agreement in place of the old Security Trustee.

21.2 Assignations and Transfers

The Chargor shall be bound by and hereby irrevocably authorises each Beneficiary (or its Agents on its behalf) to execute on its behalf novation certificates or equivalent documentation evidencing substitution of Beneficiaries under any Finance Documents (without any need for the prior consent of the Beneficiaries) in accordance with the provisions of the Funding Agreements or any other Finance Document.

22. WAIVERS, REMEDIES CUMULATIVE

The rights of the Security Trustee and the Beneficiaries under this Agreement:

- (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. SET-OFF

23.1 General

Following an Event of Default which is continuing, the Security Trustee and each Beneficiary may (to the extent that the same is beneficially owned by it) set off any matured obligation owed by the Chargor under the Finance Documents against any obligation (whether or not matured) owed by the Security Trustee or the Beneficiary (as the case may be) to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Trustee or the 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.

23.2 Time deposits

Without prejudice to Clause 16.1 (General), if any time deposit matures on any account the Chargor has with the Security Trustee or a Beneficiary at a time within the Security Period when:

- (a) the security constituted by the Security Documents has become enforceable; and
- (b) no amount of the Secured Liabilities is due and payable,

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

24. **SEVERABILITY**

If a provision of this Agreement is or becomes illegal, invalid or unenforceable (including any guarantee given in respect of any of the Secured Liabilities), that shall not affect the validity or enforceability of any other provision of this Agreement.

25. **ADDRESSES FOR NOTICES**

The address and facsimile number of the Chargor and the Security Trustee for all notices under, or in connection with, this Agreement are:

- (a) in the case of the Chargor:
[•]
[•]
Fax: [•] Attn: [•]
- (b) in the case of the Security Trustee:
Prudential Trustee Company Limited Laurence Pountney Hill
London EC4R 0HH
Fax: 020 7548 3883
Attn: Corporate Trust Manager

or, in each case, such other details as one may notify the other in writing.

26. **CERTIFICATE**

It is hereby certified by the Chargor that the securities created pursuant to the Security Documents do not contravene any of the provisions of the [Co-operative and Community Benefit Societies Act 2014][Companies Act 2006] or the [Rules][Memorandum and] Articles of Association] of the Chargor.

27. **OBLIGATION TO MAKE FACILITIES AVAILABLE**

The Funders under the Funding Agreements to which they are party, by the Security Trustee's execution of this Agreement, hereby undertake to the Group Borrower and the Chargor, that they will, upon and subject to each of the terms of the Funding Agreements to which they are party, make the facilities available to the Group Borrower (including, without limitation, advances and further advances to the extent that they are provided for in the Funding Agreements to which they are party).

28. **RELEASE**

During the Security Period, the Security Trustee shall when required to do so under and in accordance with the Security Trust Deed release, discharge or re-assign, as the case may be, the relevant assets (or part thereof) constituting the Security Assets from the security constituted by any Standard Security granted pursuant to this Agreement to the extent that the Chargor is permitted to dispose of or have released to it any Security Assets by the terms of each of the Finance Documents and consequently all Beneficiaries are required by the terms of each of the Finance Documents to release, or procure the release of, or have discharged, such security.

Upon the expiry of the Security Period, the Security Trustee shall, at the request and properly incurred cost of the Chargor, take whatever action is

necessary to release, discharge and/or reassign to the Chargor the Security Assets from any Standard Security granted pursuant to this Agreement.

29. **REGISTERED SCOTTISH CHARITY**

The Chargor holds title to the Property charged or to be charged by the Standard Securities as a registered Scottish charity.

30. **SUBMISSION TO JURISDICTION**

Each of the Parties hereto irrevocably agrees that the courts of Scotland are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Agreement and accordingly submit to the exclusive jurisdiction of the Scottish courts. Each of the Parties waives any objection to the courts of Scotland on the grounds that they are an inconvenient or inappropriate forum. The Security Trustee may take any suit, action or proceeding arising out of or in connection with this Agreement against each of the other Parties in any other court of competent jurisdiction and concurrent proceedings in any number of jurisdictions.

31. **GOVERNING LAW**

This Agreement, and any non-contractual obligations or matters arising from or connected with it, shall be governed by, and construed in accordance with, the law of Scotland.

IN WITNESS whereof, this Agreement consisting of this and the preceding [16] pages together with the Schedule are executed as follows:

They are subscribed for and on behalf of the said [•]

at on

by

(Full name).

(Signed)

by authority of [•] [Board] in the presence of the following witness

..... (Signature of Witness)

..... (Full Name of Witness)

..... (Address of Witness)

.....

.....

Security Trustee

Executed by affixing the **COMMON SEAL** of)
PRUDENTIAL TRUSTEE COMPANY LIMITED)

at)

on

in the presence of

.....

Sealing Office

They are subscribed for and on
behalf of the said Wheatley Funding No. 1 Limited

at on

by

(Full name).

(Signed)

by authority of the Group Borrower's Board in the presence of the following witness

..... (Signature of Witness)

..... (Full Name of Witness)

..... (Address of Witness)

.....

.....

SCHEDULE 1

**THIS IS THE SCHEDULE REFERRED TO IN THE FOREGOING SECURITY
AGREEMENT AMONG [], PRUDENTIAL TRUSTEE COMPANY LIMITED
AND WHEATLEY FUNDING NO. 1 LIMITED**

PART 1

SECURITY PROPERTIES

*[insert list of properties including full address, postcode and (if applicable) title
number]*

PART 2
STANDARD SECURITY

STANDARD SECURITY

by

[•]

in favour of

PRUDENTIAL TRUSTEE COMPANY LIMITED

as Security Trustee for the Beneficiaries

[Date]

**Re: Subjects registered at the Land Register of Scotland under Title Numbers
GLA[•] and GLA[•]**

Standard Security

by

[•] [a charitable registered social landlord registered as [a registered society under the Co-operative and Community Benefit Societies Act 2014][a company limited by guarantee under the Companies Act 2006] (registered number [•]) with its registered office at [•] (the Chargor)

in favour of

PRUDENTIAL TRUSTEE COMPANY LIMITED, a company incorporated under the laws of England and Wales, whose registered office is at Laurence Pountney Hill, London EC4R 0HH with registered number 1863305 as security trustee (the **Security Trustee**, which expression shall wherever the context so admits, include any such company and all other persons or companies for the time being the trustee or trustees of the Security Trust Deed) as security trustee for the Beneficiaries.

CONSIDERING that

- (a) in terms of an Agreement (hereinafter referred to as the **Security Trust Deed**) entered into, inter alia, between the Security Trustee, Wheatley Funding No. 1 Limited, incorporated under the Companies Acts in Scotland (with Registered Number SC469961) and having its registered office at Wheatley House, 25 Cochrane Street, Glasgow G1 1HL (hereinafter referred to as the **Group Borrower**) and the Chargor dated[•] 2016], the Security Trustee agreed to hold the benefit of the Security Documents and the guarantees and security created thereunder on trust in accordance with the terms of the Security Trust Deed for and on behalf of itself and the Beneficiaries;
- (b) on [•] the Chargor, the Security Trustee and the Group Borrower have entered into [a][an Additional Security Agreement] [pursuant to which the Chargor has become an Additional Guarantor in terms of the Security Trust Deed] (herein referred to as the **Security Agreement**);
- (c) in accordance with the Security Trust Deed and the Security Agreement the Chargor has agreed to grant these presents; and
- (d) capitalised terms in this Standard Security (including the recitals hereto) shall, except where the context otherwise requires and save where otherwise defined, bear the meanings ascribed to them in the Security Trust Deed and the Security Agreement (as each may be amended, varied or supplemented from time to time) and this Standard Security shall be construed in accordance with the constructions set out therein.

1. In this Standard Security, unless the context otherwise requires:

Authorised Signatory has the meaning ascribed to it in the Security Trust Deed.

Charged Properties has the meaning ascribed to it in the Security Trust Deed.

Default has the meaning ascribed to it in the Security Trust Deed. Development means a development, project or scheme relating to:

- (a) the acquisition of any land or property; and/or
- (b) the improvement, development, redevelopment or construction of any Properties.

Event of Default means has the meaning ascribed to it in the Security Trust Deed. Beneficiaries has the meaning ascribed to it in the Security Trust Deed.

Insurances means all contracts and policies of insurance of whatever nature which are from time to time taken out by or with the authority and on behalf of the Chargor in relation to the Security Subjects or (to the extent of such interest) in which the Chargor has an interest in relation to the Security Subjects.

Material Adverse Effect means a material adverse effect of:

- (a) the Security Subjects or their Value;
- (b) the ability of the Chargor to perform its obligations under this Standard Security;
- (c) the validity or enforceability of, or the effectiveness or ranking of the security created or purported to be created by this Standard Security; or
- (d) the rights and remedies of the Security Trustee under this Standard Security.

Properties has the meaning ascribed to it in the Security Trust Deed.

Registered Social Landlord means a registered social landlord registered under the register maintained pursuant to section 20 of the Housing (Scotland) Act 2010.

Relevant Documents means respectively the Original Bond Loan Agreement, the Restated EIB Loan Agreement, the Restated Syndicated Loan Agreement, and each Additional Funding Agreement, each as defined in the Security Trust Deed.

Scottish Ministers is as defined in Section 44 of the Scotland Act 1998. Secured Liabilities has the meaning ascribed to it in the Security Trust Deed.

Security Subjects means the subjects (the **Subjects**) more particularly described in the Schedule together with (i) the minerals in so far as the Chargor has right thereto (ii) all dwellinghouses and other erections on the Subjects (iii) the parts, privileges and pertinents of the Subjects (iv) the whole rights, common, mutual and exclusive effeiring to the Subjects; and (v) the Chargor's whole right, title and interest, present and future, in and to the Subjects.

Schedule means the schedule annexed and signed as relative to this Standard Security.

Standard Conditions means the Standard Conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 as amended by the Redemption of Standard Securities (Scotland) Act 1971 and any lawful variation thereof operative for the time being and under declaration that the terms "debtor" and "creditor" in the Standard Conditions shall refer to the Chargor and the Security Trustee respectively.

this Standard Security means this standard security, including the schedule and plan annexed and signed as relative hereto, as the same may be amended, varied, substituted or novated from time to time.

Tenancy 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 the Chargor in respect of any Security Subjects and any licence, consent or approval given thereunder.

Value or Valuation of the Security Subjects is a reference to the most up to date value or, as the case may be, valuation determined in accordance with the terms of the Relevant Documents.

2. In security for the payment and discharge of the Secured Liabilities the Chargor hereby grants a standard security in favour of the Security Trustee as trustee for the Beneficiaries over the Security Subjects.
3. The whole terms, undertakings, obligations, powers, rights, provisions and others of and contained in the Funding Agreements and the Security Trust Deed are held to be incorporated in and shall be deemed to form part of this Standard Security and repeated mutatis mutandis and shall be in addition to the obligations and others of the Chargor under and pursuant to this Standard Security.
4. The Standard Conditions shall apply, save to the extent that they are inconsistent with any terms and conditions of and contained in the Funding Agreements and/or the Security Trust Deed and/or any variation of the Standard Conditions contained in this Standard Security (declaring for the avoidance of doubt that in the event of any inconsistency as aforementioned the terms and conditions of and contained in the Funding Agreements and/or the Security Trust Deed shall apply to the extent of that inconsistency).
5. The Standard Conditions shall be varied as follows:
 - 5.1 Standard Condition 1 shall be modified as follows:
 - (a) The Chargor will keep the Security Subjects in good and substantial repair and condition and adequately and properly decorated and maintained except where the Security Subjects are subject to a Development until such Development is completed.
 - (b) The Chargor will permit 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 the Chargor and any tenant/occupier and subject to the terms of any Tenancy Document then applicable to such tenant/occupier) to enter upon the Security Subjects and view them.
 - 5.2 Standard Condition 2 shall be modified as follows:

The Chargor will not carry out or permit to be carried out any project for any development, construction, refurbishment, major repair or improvement of or to the Security Subjects except as permitted from time to time and for the time being pursuant to the Funding Agreements or in accordance with the Chargor's general repair and maintenance policies as a Registered Social Landlord.

5.3 Standard Condition 3 shall be modified as follows:

- (a) The Chargor will pay when due any present and future tax, levy, impost, deduction, charge, duty, withholding, rates and any charge of a similar nature and any assessments and outgoings whatsoever (whether parliamentary, parochial, local or of any other description) which may be assessed, charged or imposed on or payable in respect of the Security Subjects (except to the extent that (a) payment is being contested in good faith by appropriate proceedings and/or (b) any such charge, tax, levy and rates is/are assessable on any third party occupant of the Security Subjects).
- (b) The Chargor will use the Security Subjects only for such purpose as may for the time being be authorised as a permitted use under or by virtue of any applicable authorisation, (including without prejudice to the foregoing generality any consent, approval, resolution, licence, planning permission, exemption, filing or registration) or any regulations, (including

without prejudice to the foregoing generality any rule, official directive, notice, guideline or order (whether or not having the force of law) of any governmental body, agency, department, court, tribunal or regulatory authority or organisation), save:

- (i) as disclosed in any certificate of title delivered to the Security Trustee on or before the Security Subjects became Charged Properties; or
 - (ii) where such use does not have a Material Adverse Effect.
- (c) The Chargor will ensure that all consents and approvals under all statutes (including all by-laws, instruments, orders and regulations for the time being made thereunder or deriving therefrom) and the regulations and codes of practice of any governmental, local or other competent authorities affecting the Security Subjects have been obtained and will be complied with at all times, save:
 - (i) as disclosed in any certificate of title delivered on or before the Security Subjects became Charged Properties; or
 - (ii) where such use does not have a Material Adverse Effect.

5.4 Standard Condition 4 shall be modified as follows:

The Chargor will notify the Security Trustee within seven days after the receipt by the Chargor of any application, requirement, order or notice served or given by any person with respect to the Security Subjects or its use which may have a material adverse effect on the Security Subjects and also (within seven days after demand) produce the original or a copy to the Security Trustee and inform it of the steps taken or proposed to be taken to comply with any such requirement.

5.5 Standard Condition 5 shall be modified as follows:

- (a) Insurance: The Chargor shall at all times during the subsistence of this Standard Security:
 - (i) insure and keep insured or procure the insurance of the Security Subjects against loss or damage by fire, explosion, aircraft and other risks normally insured against by persons carrying on the

same class of business as that carried on by it and such other risks as are customary and prudent for Registered Social Landlords in a sum or sums not less than the replacement value thereof (meaning the total cost of entirely rebuilding, reinstating or replacing the Security Subjects in the event of their being completely destroyed together with architects' and surveyors' fees, liabilities to employees and third parties and contingencies arising under any statute, regulation and at common law) less such excesses as have been approved in accordance with the terms of the Funding Agreements and such other amount in respect of loss of rent as is customary and prudent for Registered Social Landlords carrying on a business such as that carried on by the Chargor and effect and maintain, to the satisfaction of the Security Trustee, insurance against such other risks as is customary and prudent for Registered Social Landlords;

- (ii) ensure that all monies which may at any time hereafter be received or receivable under any insurance in respect of the Security Subjects or such other assets whether or not effected pursuant to the foregoing provisions (other than monies so received or receivable in respect of loss of rent which shall be applied after an Event of Default which is continuing in such manner as the Security Trustee and the Chargor shall agree) shall be applied in replacing, restoring or reinstating the Security Subjects destroyed or damaged or in such manner as the Security Trustee and the Chargor may agree or, after the occurrence of a Default which is continuing if the Security Trustee so directs and the terms of the relevant insurances so permit, in or towards satisfaction of the Secured Obligations;
- (iii) in the case of any of the Security Subjects which is subject to a Development and the relevant part of the Security Subjects is not insured and kept insured by the Chargor pursuant to sub-clause 5.5(a)(i) above, until practical completion maintain or procure the maintenance, in accordance with any development contract of the insurance of any development works under the terms of the contractors' all risk policy of insurance, in such form or with such insurers or underwriters as is customary and prudent for Registered Social Landlords, in the full re-instatement value, from time to time, of the development works and the full replacement value from time to time of such goods and materials (together with provisions for professional fees forward inflation and debris removal) and all other costs in the joint names of the Chargor and (as appropriate) such contractor, ensuring that the interest of the Security Trustee as loss payee is noted on the policy of insurance and if such noting is not possible inform the Security Trustee as soon as reasonably practicable;
- (iv) cause to be insured the site of any of the Security Subjects which is subject to a Development in respect of sufficient public liability insurance as is customary and prudent for Registered Social Landlords;

- (v) upon practical completion cause any of the Security Subjects which is subject to a Development to be insured in accordance with sub-clause 5.5(a)(i); and
- (vi) following practical completion of any development works producing new built residential units to ensure that the said works are of a reasonable standard so that NHBC insurance (or other similar insurance) should be available and to use reasonable endeavours to procure that such insurance is in place as soon as practicable after completion as is customary and prudent for Registered Social Landlords;
- (b) Noting of interest: On the date of the Chargor's execution hereof cause the policy or policies of insurance relating to the Security Subjects to contain (in form and substance satisfactory to the Security Trustee) an endorsement noting the interest of the Security Trustee and procure that following a Default which is continuing where requested by the Security Trustee that the Security Trustee is named as sole loss payee in respect of all claims until such time as the Security Trustee notifies the insurer(s) to the contrary;
- (c) Premiums: promptly pay all premiums and other moneys payable under all its policies of insurance and do all other things necessary to keep all of the Insurances in force and promptly upon request, produce to the Security Trustee a copy of each policy and evidence (reasonably acceptable to the Security Trustee) of the payment of such sums;
- (d) Deposit: upon the request of the Security Trustee (but subject to the provisions of any lease of the any of the Security Subjects), deposit a copy (certified to be true and up to date by an Authorised Signatory) of all policies of insurance relating to the Security Subjects with the Security Trustee; and
- (e) Maintenance of Insurances: not do or knowingly permit anything to be done in or upon or relating to the Security Subjects or any part thereof which may make void or voidable any Insurance in connection therewith.
- (f) Insurance: Default

If the Chargor defaults in complying with Clause 5.5, the Security Trustee may (but shall not be obligated to) effect or renew any such insurance on such terms, in such name(s) and in such amount(s) as it considers appropriate in order to comply with the obligations of the Chargor under Clause 5.5, and all moneys expended by the Security Trustee in doing so shall be reimbursed by the Chargor to the Security Trustee on demand (which demand shall be made as soon as reasonably practicable).

5.6 Standard Condition 6 shall be modified as follows:

- (a) Leases:
 - (i) save as permitted pursuant to the terms of any Relevant Document, not, without the previous consent in writing of the Security Trustee (such consent not to be unreasonably withheld), grant or agree to grant (whether in exercise or independently of any statutory power) any lease or tenancy of the Security Subjects or any of them or any part thereof or confer upon any person any contractual licence or

right to occupy any of the Security Subjects other than (a) in the case of any residential units in the form of either (i) a Scottish secure tenancy agreement granted pursuant to section 11 of the Housing (Scotland) Act 2001 and in form approved by the Security Trustee or on terms which confer no fewer rights on the Chargor as the landlord and impose no obligations on the Chargor additional to those set out in such approved tenancy agreement or (ii) a tenancy agreement or licence approved by the Security Trustee from time to time and for the time being and (b) in the case of any part of the Security Subjects other than the residential units in the form of either (a) an arms length market rent lease or (ii) a lease on terms approved by the Security Trustee;

- (ii) not without the prior written consent of the Security Trustee accept or agree to accept the surrender or alteration of any of the Tenancy Documents which affects or is likely to affect the Value of the Security Subjects in any material way and observe and perform all the covenants, conditions, agreements and obligations on its part in all material respects, save that the Chargor shall be entitled to accept surrenders in accordance with its usual letting policies as a Registered Social Landlord;
- (iii) enforce and not to waive or release the covenants, conditions, agreements and obligations contained in or imposed by any of the Tenancy Documents or any guarantee in respect of the obligations of the tenants, lessees, licensees or other parties thereunder which affects or is likely to affect the Value of the Security Subjects in any material way, save that the Chargor shall only be obliged to take action in respect of any Tenancy Document in respect of the Security Subjects in accordance with its usual enforcement and arrears policies as a Registered Social Landlord;
- (iv) if the Security Trustee so requests at any time after a Default which is continuing, issue irrevocable instructions to the other parties to any Tenancy Document to pay rents and sums due under any Tenancy Document to the Security Trustee or into such accounts as the Security Trustee may require;
- (v) at any time after a Default or which is continuing, deliver to the Security Trustee as soon as practicable and in any event within 14 days of demand full particulars of all

agreements, leases, tenancies or licences to occupy affecting the Security Subjects however remote or inferior; and

- (vi) for the purposes of sub-clauses 5.6(a)(ii) and (iii), any reference to value or a valuations of the Security Subjects is a reference to the most up to date Value, or as the case may be, Valuation.

5.7 Standard Condition 7 shall be modified as follows:

If the Chargor (i) fails to repair or keep in repair or insure the Security Subjects or observe or perform any of the obligations or stipulations contained in the title affecting it save:

(a) as disclosed in any transfer agreement or certificate of title delivered on or before the Security Subjects became Charged Properties; or

(b) where such use does not have a Material Adverse Effect.

or (ii) if a Default occurs which is continuing, the Chargor will permit the Security Trustee or its agents:

(c) to enter on the Security Subjects and to comply with or object to any notice served on the Chargor in respect of the Security Subjects; and

(d) to effect such repairs or insurance or generally do such things or pay all such costs, charges and expenses as the Security Trustee may consider necessary or desirable to prevent or remedy any breach of obligation or stipulation or to comply with or object to any notice.

5.8 Standard Condition 9 shall be modified as follows:

The Chargor shall be held to be in default in any of the events constituting an Event of Default.

6. The Chargor will duly and punctually perform and observe or procure performance or observance of all obligations and stipulations affecting the Security Subjects as contained in the title deeds relating to the Security Subjects.

And the Chargor grants warrandice but excepting therefrom all leases granted by the Chargor or its predecessors in title: IN WITNESS WHEREOF these presents typewritten on this and the preceding [] pages, together with the Schedule and plan annexed, are executed as follows

They are subscribed for and on
behalf of the said [*name of Chargor*] at Glasgow

at on

by

(Full name).

(Signed)

and by

(Full name).

(Signed)

by authority of the Chargor's Committee of Management in the presence of the following witness

..... (Signature of Witness)

..... (Full Name of Witness)

..... (Address of Witness)

.....

.....

SCHEDULE

This is the Schedule referred to in the foregoing Standard Security by [name of Chargor] in favour of Prudential Trustee Company Limited as Security Trustee for the Beneficiaries (as defined therein) in respect of the subjects as described below.

The Subjects

.....

Authorised Signatory

SCHEDULE 5
FORM OF CERTIFICATE OF TITLE

CERTIFICATE OF TITLE

Property: Various Properties of [Name of Chargor]

Transaction: [•]

CERTIFICATE OF TITLE

From: Brodies LLP

To: Prudential Trustee Company Limited as Security Trustee pursuant to an Amended and Restated Security Trust Deed dated [•] 2016 (the **Security Trust Deed**) for and on behalf of itself and the Beneficiaries (as defined therein)

Chargor: [The **Glasgow Housing Association Limited**, a charity registered in Scotland (Number SC034054), incorporated under the Industrial and Provident Societies Acts (Number SP2572RS) and having their Registered Office at Wheatley House, 25 Cochrane Street, Glasgow G1 1HL]

or

[**Cube Housing Association Limited**, a charity registered in Scotland (Number SC033021), incorporated under the Industrial and Provident Societies Acts (Number SP2327RS) and having their Registered Office at Wheatley House, 25 Cochrane Street, Glasgow G1 1HL]

or

[**West Lothian Housing Partnership Limited**, a charity registered in Scotland (Number SC031668), incorporated under the Companies Acts and limited by guarantee (Number SC188968) and having their Registered Office at Wheatley House, 25 Cochrane Street, Glasgow G1 1HL]

or

[**Loretto Housing Association Limited**, a charity registered in Scotland (Number SC007241), incorporated under the Industrial and Provident Societies Acts (Number SP1920RS) and having their Registered Office at Lipton House, 2nd Floor, 170 Crown Street, Glasgow G5 9XD]

or

[**Dunedin Canmore Housing Limited** a charitable registered social landlord registered as a registered society under the Co-operative and Community Benefit Societies Act 2014 (registered number SP1823RS) with its registered office at 8 New Mart Road, Edinburgh, EH14 1RL]

or

[**Barony Housing Association Limited** a charitable registered social landlord registered as a registered society under the Co-operative and Community Benefit Societies Act 2014 (registered number SP1684RS) with its registered office at Canal Court, 40 Craiglockhart Avenue, Edinburgh, EH14 1LT]

Properties: As specified in Schedule 1

Save where otherwise indicated, words and expressions in this Certificate shall have the same meaning as in the Security Trust Deed.

In order to ensure that the Beneficiaries are able to rely upon this Certificate, we hereby irrevocably undertake that we shall, upon written request from the Security Trustee, issue to such of the Beneficiaries as the Security Trustee requires a reliance letter in such form as the

Security Trustee reasonably requires confirming that such Beneficiaries may rely upon this Certificate and acknowledging that we have a duty of care to each of them.

This Certificate is given in connection with the Security Trust Deed and the security agreement to be entered into between, inter alios the Chargor and the Security Trustee on or about the date hereof (the **Security Agreement**).

Any claim in respect of this Certificate may only be brought by or through the agency of any of the parties to whom it is addressed. Where such claim would properly lie also against any other party involved in the provision of information for or otherwise involved in the preparation or approval of this Certificate and such other party has lawfully and effectively limited, excluded or restricted its liability in respect of any such claim then our liability shall not in any circumstances be increased as a consequence of any such limitation, exclusion or restriction and our liability shall be calculated on the basis that no such limitation, exclusion or restriction by such other party is effective.

On the basis of and insofar as the same is discoverable from our investigations mentioned in this Certificate we certify as follows:

1. CERTIFICATION

Except as otherwise disclosed to you in Schedule 2:

- 1.1 we have investigated the title to each of the Properties and the Chargor is the sole legal and beneficial owner of the Properties, there are no Standard Securities registered against any of the Properties and the Chargor has a good and marketable title to the Properties and to their respective rights free from onerous title conditions, which title is registered in the Land Register of Scotland or recorded in the Register of Sasines;
- 1.2 all deeds and documents necessary to show good and marketable title to the Properties are in the possession of either ourselves or the Registers of Scotland;
- 1.3 the details of the Properties set out in Schedule 1 are complete and accurate;
- 1.4 in giving this certificate, we have:
 - 1.4.1 examined all relevant title and other documents in our possession or supplied to us by the Chargor, who has confirmed to us that it has provided all documents relating to the Properties of which it has knowledge, together with all other material information;
 - 1.4.2 carried out and considered the results of the searches and enquiries in relation to the Properties made by us as referred to in Schedule 3; and
 - 1.4.3 made all relevant and necessary enquiries of the Chargor to enable us to provide this Certificate.
- 1.5 the Chargor has confirmed that there are no outstanding monies payable by it relating to the Properties including any liability for water rates or any other rates;
- 1.6 the tenure of the Properties is 'ownership' (heritable) and none of the Properties is leasehold;

- 1.7 where title to any of the Properties is not registered in the Land Register of Scotland then save as may be disclosed in Schedule 2:
- 1.7.1 the title commences with a foundation writ at least 10 years old; and
- 1.7.2 no event has occurred in consequence of which registration should have been effected;
- 1.8 we have received satisfactory evidence that the buildings insurance for the Properties is in place, for an amount not less than and in the sum and in the terms required by the Security Trustee with the Security Trustee's interest as loss payee noted on the Policy on completion;
- 1.9 if any of the Properties are to be purchased by the Chargor we confirm that we are not acting on behalf of any of the vendors;
- 1.10 the Chargor has confirmed that all the Properties are presently used for residential purposes;
- 1.11 the Properties have the benefit of all necessary rights and servitudes required for existing use, access and all usual services (including water electricity gas drainage and telephone);
- 1.12 the searches and enquiries we have undertaken have not revealed any overriding interests (as defined in section 28(1) of the Land Registration (Scotland) Act 1979);
- 1.13 we have undertaken in respect of the Properties searches in the Land Register of Scotland (or Register of Sasines if the title is not registered), and any other appropriate searches which we reasonably consider are required to give the confirmations in this Certificate and the results will be no more than 3 months old at the date of this Certificate;
- 1.14 the use of the Properties is a lawful use, free from any onerous or unusual restrictions and conditions under relevant planning laws and the buildings constructed on the Properties and the use thereof have the benefit of appropriate planning permission and no adverse entries affecting the Properties have been revealed by our searches or enquiries in such respect; such searches and enquiries have not revealed any breach or failure to comply with any planning conditions which remains unremedied as at the date of this Certificate;
- 1.15 the Chargor has told us that no notices materially affecting the Properties have been given or received;
- 1.16 the Properties' titles are not burdened with any nomination rights which would be binding on successors in title;
- 1.17 no unit of accommodation within the Properties is owned pro indiviso with any other party;
- 1.18 there are no undischarged obligations affecting the Properties under any planning permission or planning agreement under, without limitation, section 75 of the Town and country Planning (Scotland) Act 1997, section 38 of the Highways Act 1980 or any provision in legislation of a similar nature;
- 1.19 our searches and enquiries have not revealed any planning agreement affecting any of the Properties or any agreement of a similar nature nor any agreement to create any of

the same whereby such agreement is binding upon or enforceable against any person deriving title from or under the original contracting parties;

- 1.20 nothing has been revealed by our searches and enquiries which would prevent the Properties being used by any occupant for residential purposes;
- 1.21 there are no title or planning conditions restricting use of the Properties to social and/or affordable housing;
- 1.22 the Chargor has confirmed that each unit of accommodation within the Properties (which has been let) has been let under a Scottish Secure Tenancy agreement substantially in line with the guidelines of the Scottish Housing Regulator, that there are no material breaches of the terms of any such tenancy and that no legal proceedings have been instituted by the Chargor and we have no reason to doubt the accuracy of this statement;
- 1.23 none of the tenants of the Chargor has a right to buy or the right to acquire;
- 1.24 the Chargor has confirmed that it has not received notice of any resolution, proposal, scheme or order, whether formally adopted or not, for the compulsory acquisition of any of the Properties;
- 1.25 we confirm that save as disclosed in Schedule 2, nothing has been revealed by our searches and enquiries in respect of any environmental contamination and the Chargor has confirmed that to the best of its knowledge and belief, it is not aware of any environmental contamination to the land upon which the Properties have been constructed or upon land adjoining the Properties nor is it aware of any breaches of any environmental legislation either at the date hereof or at any time prior hereto;
- 1.26 each of the Properties constructed within the last ten years enjoys the full defects insurance cover offered by the National House Building Council or Zurich Municipal and we hold on behalf of the Chargor in relation to each of the Properties a relevant form of insurance cover issued by the National House Building Council or Zurich Municipal;
- 1.27 we are not aware of any other matter arising from our investigation of title, including our searches and enquiries, which casts any doubt on the title of the Chargor to the Properties and the acceptability of the Properties as security and which should be brought to your attention;
- 1.28 the Chargor has confirmed to us in writing within the 5 working days before the date of this Certificate that it is not aware of any information which renders any statement in this Certificate incomplete or inaccurate in any respect;
- 1.29 the assumptions by the valuers about title (its tenure, servitudes, boundaries and restrictions on use) in the valuation reports issued by [insert name of valuers] and dated [insert date of valuations report] (the Valuations) are correct and the valuers have confirmed that there is nothing in this Certificate which would cause the valuers to alter their report nor anything in the Valuations which is inconsistent with this Certificate.

This Certificate is for the use only of the parties to whom it is addressed and their successors in title and may be relied upon only by those parties. It may be disclosed to other professional advisers instructed in connection with any Finance Document but not otherwise. This Certificate is not to be relied on by nor is any responsibility accepted to any third party, nor is it to be used

in connection with any other transaction or supplied to any other person or copied quoted or referred to in whole or in part without our written consent including as to the form and context in which it may appear.

2. QUALIFICATIONS

- 2.1 We have not inspected the Properties nor have we made any enquiries of the occupiers of the Properties (other than the Chargor) nor, in the case of a leasehold Property, of any landlord or superior landlord.
- 2.2 We give no opinion as to the capital or rental value of the Properties.
- 2.3 We have assumed that all original and copy documents relating to the Properties have been validly executed and delivered by the parties to them and that all documents are within the capacity and powers of, and have been validly authorised by, each party. There is nothing on the face of the documents which indicates otherwise.
- 2.4 Where information has been provided to us by the Chargor, our investigations have given us no reason to doubt the accuracy of that information but we do not accept responsibility for it.
- 2.5 So far as we are aware, we have seen the documentation and have been provided with the information which we need in order to give this Certificate.
- 2.6 Whilst we express no opinion on whether any transaction affecting the Chargor's title to the Properties may have been at an undervalue or otherwise liable to be set aside under the provisions of the Bankruptcy (Scotland) Act 1985, the Insolvency Act 1986 or at common law, the Chargor has told us that it is not aware of any circumstances which could render any such transaction liable to be set aside thereunder.
- 2.7 Any matter disclosed by this Certificate in relation to any particular paragraph is to be treated as being disclosed in relation to any other relevant paragraph.

Signed on behalf of Brodies LLP

Name of Authorised Signatory

Date of Signature

SCHEDULE 1

THE PROPERTIES

Property Address	Title Number

SCHEDULE 2

Any Qualifications

1. GENERAL

- 1.1 The Chargor has told us that the Properties specified in Schedule 1 (together with those so specified in the three equivalent certificates of title in which the Chargor is [The Glasgow Housing Association Limited][Cube Housing Association Limited][West Lothian Housing Partnership Limited][Loretto Housing Association Limited]) represent a minimum of 20% of the total of the properties to be charged pursuant to the Security Trust Deed and to be allocated on a specific apportionment basis to the Bond Issuer as beneficiary and this Certificate is restricted accordingly.
- 1.2 Physical title deeds are no longer the definitive source of title – only the electronic record held by Registers of Scotland has this status. We have therefore obtained electronic title print-outs as the basis of our certification, which are supported by the property searches referred to in Schedule 3.
- 1.3 We have exhibited to the Security Trustee a copy of the buildings insurance policy provided to us by the Chargor for the Properties and the Security Trustee has confirmed this to be satisfactory evidence that such buildings insurance is in place with their interest noted thereon for a sum and in terms required by them. No National House Building Council or Zurich Municipal insurance cover documentation has been exhibited by the Chargor in respect of the Properties.
- 1.4 The extent of our investigations into the Properties' (and buildings constructed thereon) planning lawful use, restrictions, conditions, permissions, breaches and failures are restricted to examining Property Enquiry Certificates (as referred to in Schedule 3) for what the Chargor has told us represents no less than 10% of the dwellings within each of the Properties and any relevant planning, building control or other documentation pertaining to development within the last 10 years provided to us by the Chargor and noting any adverse entries contained in them.
- 1.5 The Chargor has confirmed that all of the residential units on the Properties were constructed more than 10 years prior to the date of this Certificate other than those specified in Schedule 4.
- 1.6 The Chargor has told us that none of their tenants has a contractual right to buy or acquire, but they may have a statutory right to buy or acquire pursuant to the Housing (Scotland) Act 1987 (as amended).
- 1.7 The Chargor has told us that the units of accommodation specified in Schedule 5 are owned pro indiviso with other parties.
- 1.8 The Chargor has told us that legal proceedings (which may relate to material breaches of the terms of tenancies under which the Properties are let) have been instituted by the Chargor in respect of the units of accommodation specified in Schedule 6.

2. SPECIFIC

- 2.1 [Insert name of specific property]
- 2.2 [Insert any specific disclosures]

SCHEDULE 3

Search information

Property Address	Title Number	Searches Carried Out	Search Indemnity Insurance in Place
		Form 12a	None
		Property Enquiry Certificate (10%)	None
		Coal Authority Report	None
		Envirosearch	None
		Register of Community Interests in Land	None

SCHEDULE 4

Residential Units Under 10 Years Old

SCHEDULE 5

Pro Indiviso Units of Accommodation

SCHEDULE 6
Legal Proceedings

SCHEDULE 7

FORM OF INCUMBENCY CERTIFICATE

To: Prudential Trustee Company Limited
Laurence Pountney Hill
London EC4R 0HH

Attention: Corporate Trust Manager
Facsimile: 0207 548 3883

[DATE]

We refer to the Security Trust Deed dated on [♦] 2016 between, inter alios, Wheatley Finance No. 1 Limited (the **Group Borrower**) and Prudential Trustee Company Limited (the **Security Trustee**) (the **Security Trust Deed**).

.....hereby confirms that the following persons are duly authorised signatories of Wheatley Finance No. 1 Limited with authority to give instructions as contemplated by the Security Trust Deed.

Name	Position	Signature

Terms not otherwise defined herein shall bear the same meaning as in the Security Trust Deed.

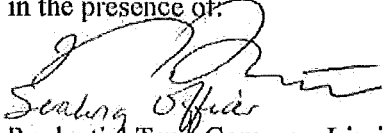
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for and on behalf of
Wheatley Funding No. 1 Limited
in its capacity as Group Borrower

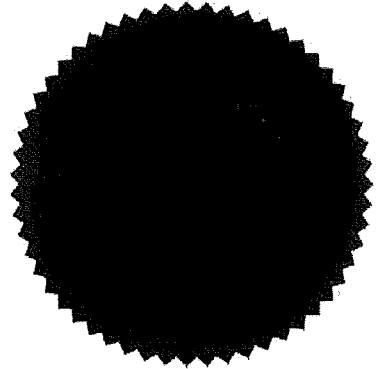
SIGNATORIES

Security Trustee

EXECUTED as a **DEED**)
by affixing the **COMMON SEAL** of)
PRUDENTIAL TRUSTEE COMPANY LIMITED)
in the presence of:)


Sealing Officer
Prudential Trust Company Limited
Laurence Pountney Hill
London EC4R 0HH

Fax: 020 7548 3883
Email: trustees@mandg.co.uk
Attn: Corporate Trust Manager



The Group Borrower

EXECUTED and **DELIVERED** as a **DEED** by)
WHEATLEY FUNDING NO. 1 LIMITED)
acting by)

in the presence of:

Witness name:
Witness address:

Wheatley Funding No. 1 Limited
Wheatley House 25 Cochrane Street Glasgow G1 1HL

Fax: 0141 274 6218
Email: jon.turner@wheatley-group.com
Attn: Jon Turner – Group Treasurer

SIGNATORIES

Security Trustee

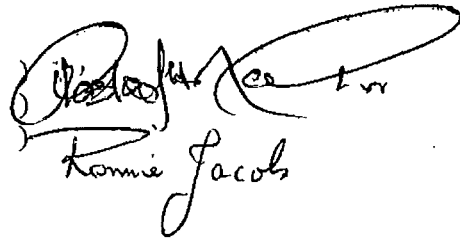
EXECUTED as a **DEED**)
by affixing the **COMMON SEAL** of)
PRUDENTIAL TRUSTEE COMPANY LIMITED)
in the presence of:)

Prudential Trust Company Limited
Laurence Pountney Hill
London EC4R 0HH

Fax: 020 7548 3883
Email: trustees@mandg.co.uk
Attn: Corporate Trust Manager

The Group Borrower

EXECUTED and **DELIVERED** as a **DEED** by
WHEATLEY FUNDING NO. 1 LIMITED
acting by



Handwritten signature of Ronnie Jacobs, with the name 'Ronnie Jacobs' written below it in cursive.

in the presence of:


Witness name:
Witness address:

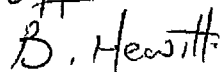
Wheatley Funding No. 1 Limited
Wheatley House 25 Cochrane Street Glasgow G1 1HL

Fax: 0141 274 6218
Email: jon.turner@wheatley-group.com
Attn: Jon Turner – Group Treasurer

Original Guarantors

EXECUTED and DELIVERED as a DEED by)
THE GLASGOW HOUSING ASSOCIATION)
LIMITED acting by)

Authorised Signatory: 

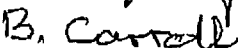
Authorised Signatory: 

The Glasgow Housing Association Limited
Wheatley House
25 Cochrane Street Glasgow
G1 1HL

Fax: 0141 274 6218
Email: jon.turner@wheatley-group.com
Attn: Jon Turner – Group Treasurer

EXECUTED and DELIVERED as a DEED by)
CUBE HOUSING ASSOCIATION LIMITED)
acting by)

Authorised Signatory: 

Authorised Signatory: 

Cube Housing Association Limited
Wheatley House 25 Cochrane Street
Glasgow G1 1HL

Fax: 0141 274 6218
Email: jon.turner@wheatley-group.com
Attn: Jon Turner – Group Treasurer

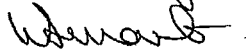
EXECUTED and DELIVERED as a DEED by
WEST LOTHIAN HOUSING PARTNERSHIP
LIMITED acting by

)
)
)

Authorised Signatory:



Authorised Signatory:



West Lothian Housing Partnership Limited
Wheatley House 25 Cochrane Street
Glasgow G1 1HL

Fax: 0141 274 6218

Email: jon.turner@wheatley-group.com

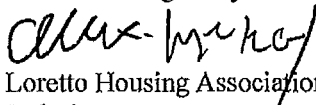
Attn: Jon Turner – Group Treasurer

EXECUTED and DELIVERED as a DEED by
LORETTO HOUSING ASSOCIATION
LIMITED acting by

)
)
)

Authorised Signatory:

Authorised Signatory:



Loretto Housing Association Limited
2nd Floor
Lipton House
170 Crown Street
Glasgow G5 9DX

Fax: 0141 274 6218

Email: jon.turner@wheatley-group.com

Attn: Jon Turner – Group Treasurer

EXECUTED and DELIVERED as a DEED by)
DUNEDIN CANMORE HOUSING LIMITED)
acting by)

Authorised Signatory:
Authorised Signatory:

Thos. Mitchell
T. Cling

Dunedin Canmore Housing Limited
8 New Mart Road
Edinburgh
EH14 1RL

Fax: 0141 274 6218
Email: jon.turner@wheatley-group.com
Attn: Jon Turner – Group Treasurer

EXECUTED and DELIVERED as a DEED by)
BARONY HOUSING ASSOCIATION LIMITED)
acting by)

Authorised Signatory:
Authorised Signatory:

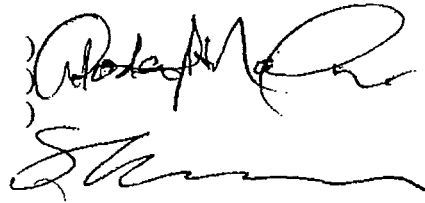
H. H. H. H.
R. Kynoch

Barony Housing Association Limited
Canal Court
40 Craiglockhart Avenue
Edinburgh
EH14 1LT

Fax: 0141 274 6218
Email: jon.turner@wheatley-group.com
Attn: Jon Turner – Group Treasurer

Original Lenders

**EXECUTED and DELIVERED as a DEED by
WHEATLEY GROUP CAPITAL PLC**
acting by



in the presence of:

Witness name:
Witness address:

Wheatley Group Capital plc
Wheatley House 25 Cochrane Street Glasgow G1 1HL

Fax: 0141 274 6218
Email: jon.turner@wheatley-group.com
Attn: Jon Turner – Group Treasurer

SIGNED for and on behalf of
EUROPEAN INVESTMENT BANK

)
)

Fax: +352-4379-69394
Attn: Transaction Management and Restructuring (TMR) Directorate

**EXECUTED as a DEED by
NATIONWIDE BUILDING SOCIETY**
acting by
Authorised Signatory
in the presence of

)
)
)
)
)

Signature of Witness

Name of Witness

Address of Witness

Email: housing.securities@nationwide.co.uk
Attn: Public Sector Team

Original Lenders

EXECUTED and DELIVERED as a DEED by)
WHEATLEY GROUP CAPITAL PLC)
acting by)

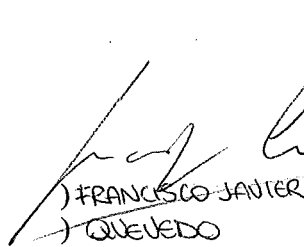
in the presence of:

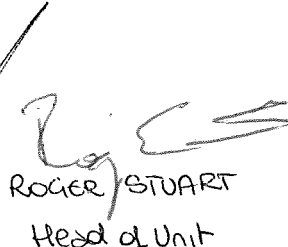
Witness name:
Witness address:

Wheatley Group Capital plc
Wheatley House 25 Cochrane Street Glasgow G1 1HL

Fax: 0141 274 6218
Email: jon.turner@wheatley-group.com
Attn: Jon Turner – Group Treasurer

SIGNED for and on behalf of
EUROPEAN INVESTMENT BANK


FRANCISCO JAVIER
QUEVEDO
Head of Division


ROGER STUART
Head of Unit

Fax: +352-4379-69394
Attn: Transaction Management and Restructuring (TMR) Directorate

EXECUTED as a DEED by)
NATIONWIDE BUILDING SOCIETY)
acting by)
Authorised Signatory)
in the presence of)

Signature of Witness

Name of Witness

Address of Witness

Email: housing.securities@nationwide.co.uk
Attn: Public Sector Team

Original Lenders

EXECUTED and **DELIVERED** as a **DEED** by)
WHEATLEY GROUP CAPITAL PLC)
acting by)

in the presence of:

Witness name:

Witness address:

Wheatley Group Capital plc
Wheatley House 25 Cochrane Street Glasgow G1 1HL

Fax: 0141 274 6218
Email: jon.turner@wheatley-group.com
Attn: Jon Turner – Group Treasurer

SIGNED for and on behalf of)
EUROPEAN INVESTMENT BANK)

Fax: +352-4379-69394
Attn: Transaction Management and Restructuring (TMR) Directorate

EXECUTED as a **DEED** by)
NATIONWIDE BUILDING SOCIETY)
acting by)
Authorised Signatory)
in the presence of)

Signature of Witness

Name of Witness

Address of Witness 12 CHURCH CLOSE, WYMINGTON, RUSHDEN, NORTHAMPTONSHIRE NN10 9FG

Email: housing.securities@nationwide.co.uk

Attn: Public Sector Team

EXECUTED as a DEED by
THE ROYAL BANK OF SCOTLAND PLC
acting by *JOHN WHYTE*
Attorney
in the presence of

)
)
)
)
)

John Whyte

Signature of Witness

[Signature]

Name of Witness *DANIELLE TOAL*

Address of Witness *Kirkstone House, 139 St Vincent Street, Glasgow
G2 5JF*

Fax: 0141 224 0776
Attn: Director, Housing Finance

EXECUTED as a DEED by
BANK OF SCOTLAND PLC
acting by
Attorney
in the presence of

)
)
)
)
)

Signature of Witness Name of Witness

Address of Witness

Fax: 020 7661 4969
Attn: Relationship Director

Restated Syndicated Loan Agent

EXECUTED as a DEED by
THE ROYAL BANK OF SCOTLAND PLC
acting by
Attorney
in the presence of

)
)
)
)
)

Signature of Witness

Name of Witness

Address of Witness

Fax: 020 7786 5247
Attn: Lee Donnithorne/Lee Smith

EXECUTED as a **DEED** by)
THE ROYAL BANK OF SCOTLAND PLC)
acting by)
Attorney)
in the presence of)

Signature of Witness

Name of Witness

Address of Witness

Fax: 0141 224 0776
Attn: Director, Housing Finance

EXECUTED as a **DEED** by PAULA VERGE)
BANK OF SCOTLAND PLC)
acting by)
Attorney)
in the presence of)



Signature of Witness Name of Witness

 SONIA PHILLIPS

Address of Witness 10 GRESHAM STREET
LONDON
EC2V 7AE

Fax: 020 7661 4969
Attn: Relationship Director

Restated Syndicated Loan Agent

EXECUTED as a **DEED** by)
THE ROYAL BANK OF SCOTLAND PLC)
acting by)
Attorney)
in the presence of)

Signature of Witness

Name of Witness

Address of Witness

Fax: 020 7786 5247
Attn: Lee Donnithorne/Lee Smith

EXECUTED as a **DEED** by)
THE ROYAL BANK OF SCOTLAND PLC)
acting by)
Attorney)
in the presence of)

Signature of Witness

Name of Witness

Address of Witness

Fax: 0141 224 0776
Attn: Director, Housing Finance

EXECUTED as a **DEED** by)
BANK OF SCOTLAND PLC)
acting by)
Attorney)
in the presence of)

Signature of Witness Name of Witness

Address of Witness

Fax: 020 7661 4969
Attn: Relationship Director

Restated Syndicated Loan Agent

EXECUTED as a **DEED** by)
THE ROYAL BANK OF SCOTLAND PLC)
acting by)
Attorney)
in the presence of)

Signature of Witness

Name of Witness

Address of Witness

Fax: 020 7786 5247
Attn: Lee Donnithorne/Lee Smith

Syndicated Loans Agency
The Royal Bank of Scotland plc
250 Bishopsgate
London
EC2M 4AA

Overdraft Bank

EXECUTED as a **DEED** by
THE ROYAL BANK OF SCOTLAND PLC
acting by
Attorney *JOHN WHYTE*
in the presence of

)
)
)
)
)

John Whyte

Signature of Witness

Doel

Name of Witness *DANIELLE TOAL*

Address of Witness *Kirkstone House, 139 St Vincent Street, Glasgow*
G2 5JF

Fax: 0141 224 0776

Attn: Director, Housing Finance

Grant Provider

EXECUTED and **DELIVERED** as a **DEED** by
THE SCOTTISH MINISTERS

)
)

acting by: Authorised Signatory

Fax: 0131 244 0786

Email: anne-marie.thomson@scotland.gsi.gov.uk

Attn: Anne- Marie Thomson

Overdraft Bank

EXECUTED as a **DEED** by)
THE ROYAL BANK OF SCOTLAND PLC)
acting by)
Attorney)
in the presence of)

Signature of Witness

Name of Witness

Address of Witness

Fax: 0141 224 0776
Attn: Director, Housing Finance

Grant Provider

EXECUTED and **DELIVERED** as a **DEED** by)
THE SCOTTISH MINISTERS)



acting by: Authorised Signatory

Fax: 0131 244 0786
Email: anne-marie.thomson@scotland.gsi.gov.uk
Attn: Anne- Marie Thomson