

**EXECUTION VERSION**

**CROSS-COLLATERAL MORTGAGE RIGHTS DEED**

12 July 2019

**ONESAVINGS BANK PLC**

**and**

**CANTERBURY FINANCE NO. 1 PLC**

**and**

**CITICORP TRUSTEE COMPANY LIMITED**

**ALLEN & OVERY**

**Allen & Overy LLP**

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**THIS CROSS-COLLATERAL MORTGAGE RIGHTS DEED** (this **Deed**) is made on 12 July 2019

**BETWEEN:**

- (1) **ONESAVINGS BANK PLC** (registered number 07312896), a public limited company incorporated under the laws of England and Wales, whose registered office is at Reliance House, Sun Pier, Chatham, Kent ME4 4ET (**OSB**);
- (2) **CANTERBURY FINANCE NO. 1 PLC** (registered number 11464086), whose registered office is at Level 37, 25 Canada Square, Canary Wharf, London E14 5LQ (**Canterbury Finance No. 1**); and
- (3) **CITICORP TRUSTEE COMPANY LIMITED** (registered number 235914), a company incorporated under the laws of England and Wales whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB (**Citi**).

**WHEREAS:**

- (A) The Mortgage Conditions in respect of the Loans contain Cross-collateral Rights.
- (B) The parties to this Deed wish to postpone certain priorities with respect to Cross- collateral Rights

**IT IS AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Deed:

**Accession Deed** means a deed substantially in the form set out in Schedule 1 (Form of Cross-Collateral Mortgage Rights Accession Deed) duly completed with the appropriate details and executed and delivered by the parties thereto.

**Additional Mortgagee** means a person defined as being the "Additional Mortgagee" in an Accession Deed.

**Additional Security Deed** means the deed defined as being the "Additional Security Deed" in an Accession Deed.

**Additional Security Holder** means a person or persons defined as being the "Additional Security Holder" in an Accession Deed.

**Amount Secured** means the aggregate amount from time to time due or owing to the relevant Mortgage Interest Holder by a Borrower in respect of the Loan owing by such Borrower to such Mortgage Interest Holder.

**Attorney** means Citi in relation to each Party other than Citi.

**Borrower** means in relation to each Mortgage and Loan, the same person or persons as named and defined as such in the Mortgage Deed relating thereto and any person undertaking the obligations of the Borrower (other than as surety or guarantor).

**Canterbury Finance No. 1 Security Holder** means the trustee or trustees from time to time of the trusts created under or pursuant to a deed of charge dated \_\_\_\_\_ 2019 between, among

others, Citi as the initial sole trustee in respect of such trusts and Canterbury Finance No. 1 (and Citi still being the sole trustee in respect of each of such trusts as at the date of this Deed).

**Cross-collateral Rights** means the rights, pursuant to relevant Offer Conditions relating to Loans:

- (a) to apply the proceeds of enforcement in respect of each of the Properties charged by a Borrower against the Amount Secured in respect of such Borrower; and/or
- (b) to declare immediately due and repayable or repayable on demand each Loan in the name of the same Borrower and to exercise the statutory power of sale in respect of each of the Properties charged by such Borrower as security for the Amount Secured in respect of such Borrower if such Borrower is in breach of its obligations in respect of any one of such Loans or being in breach of its obligations under any Offer Letter relating to the Amount Secured.

**Legal Title Holder** means OSB.

**Loan** means in respect of a Mortgage, the mortgage loan, any further advance and/or all moneys advanced from time to time outstanding which are secured by such Mortgage.

**Mortgage** means a mortgage, charge or standard security originally granted in favour of OSB pursuant to a Mortgage Deed, which secures the repayment of the relevant Loan pursuant to the Mortgage Conditions applicable to it.

**Mortgage Conditions** means in respect of a Loan, all the terms and conditions applicable to such Loan and OSB's relevant general conditions, each as varied from time to time by the relevant loan agreement, the relevant Mortgage Deed and the Offer Conditions.

**Mortgage Deed** means, in respect of any Mortgage, the deed in written form creating that Mortgage.

**Mortgage Interest Holder** means at any time each person who at that time has any right, title and/or interest in or to a Loan and/or related Mortgage (in each case whether present or future, legal or beneficial, heritable or personal and whether or not a Security Interest and whether or not as a trustee or beneficiary of a trust) including, at the date of this Deed, OSB and Canterbury Finance No. 1.

**Mortgage Successor** means in relation to a Party a person who is a direct successor, assignee or transferee of such Party in relation to any right, title and/or interest in or to a Loan and/or related Mortgage (in each case whether present or future, beneficial, heritable or personal and whether or not a Security Interest and whether or not as a trustee or beneficiary of a trust) PROVIDED THAT where such person acquires the beneficial interest in a Loan and/or related Mortgage and acquires (at the same time or is contractually obliged to acquire at a later date) the legal title to such Loan and/or related Mortgage, such person shall not be a Mortgage Successor for the purposes of this Deed.

**Mortgage Successor Security Holder** means in relation to a Mortgage Successor a person in whose favour such Mortgage Successor creates any Security Interest in respect of all or any part of such Mortgage Successor's right, title and/or interest as a Mortgage Interest Holder.

**Offer Conditions** means the conditions applied to an offer of a Loan, as amended by the Legal Title Holder, as the case may be, from time to time.

**Offer Letter** means a letter written to a Borrower by or on behalf of the Legal Title Holder or any agreement between them settling out the terms upon which the Legal Title Holder is prepared to advance the Loan to the Borrower, and any revision or variation to or substitution of such letter.

**Party** means at any time each party to this Deed at that time including each Additional Mortgagee and each Additional Security Holder who at or before that time has become a party to this Deed by virtue of an Accession Deed.

**Property** means in relation to each Mortgage, the freehold, commonhold, heritable or leasehold residential property or property held under a long lease in the United Kingdom which is, in each case, subject to a Mortgage.

**Security Interest** means any mortgage, sub mortgage, standard security, charge, sub charge, sub security, pledge, lien (other than a lien arising in the ordinary course of business or by operation of law), assignation in security or other encumbrance or security interest howsoever created or arising.

## **1.2 Interpretation**

In this Deed:

- (a) words denoting the singular number only shall include the plural number also and vice versa, words denoting one gender only shall include the other genders and words denoting persons only shall include firms and corporations and vice versa;
- (b) a reference to clause or schedule is a reference to a clause of or a schedule to this Deed;
- (c) headings and sub-headings are inserted for convenience only;
- (d) references to "including" and "in particular" shall not be construed restrictively but shall mean, "including, without prejudice to the generality of the foregoing" and "in particular, but without prejudice to the generality of the foregoing" respectively;
- (e) references to law shall include any present or future common law, statute, statutory instrument, treaty, regulation, directive, order, decree, other legislative measure, code, circular, notice, demand, or injunction, including those with which it is customary for persons to whom it is directed to comply, even if compliance is not mandatory; and
- (f) references to "writing" include telex, email and facsimile transmission legibly received and "written" has a corresponding meaning.

## **2. REGULATION OF MORTGAGE RIGHTS**

### **2.1 Cross-collateral Rights**

Each Party irrevocably:

- (a) agrees and confirms with each other Party that throughout each period that it is a Mortgage Interest Holder in relation to a Loan and/or Mortgage, notwithstanding the Cross-collateral Rights set out in the Mortgage Conditions, it shall only have Cross-collateral Rights in respect of Loans and Mortgages that it beneficially owns and, as the case may be, against Properties securing Loans which it beneficially owns;
- (b) throughout each period that it is a Mortgage Interest Holder in relation to a Loan and/or Mortgage, waives in favour of each other Party:
  - (i) all rights to exercise Cross-collateral Rights in respect of other Loans and Mortgages in the name of the same Borrower not beneficially owned by it;

- (ii) all rights to take any action or proceedings against any other Mortgage Interest Holder to exercise the Cross-collateral Rights of that other Mortgage Interest Holder in respect of Loans and Mortgages that are beneficially owned by such other Mortgage Interest Holder;
  - (iii) all rights to exercise Cross-collateral Rights against other Properties charged by the same Borrower in respect of other Loans in the name of the same Borrower not beneficially owned by it; and
  - (iv) all rights to the proceeds of enforcement of other Loans and Mortgages in the name of the same Borrower not beneficially owned by it; and
- (c) agrees and confirms with each other Party that throughout each period that it is a Mortgage Interest Holder in relation to a Loan and/or Mortgage, that if it enforces a Loan and related Mortgage in respect of which Cross-collateral Rights attach, it shall apply the proceeds of such enforcement or shall procure that the proceeds of such enforcement are applied, after deduction of all related costs and expenses, as applicable:
- (i) *firstly*, to repay all amounts owing by the Borrower under the enforced Loans beneficially owned by the Mortgage Interest Holder in accordance with the Mortgage Conditions; and
  - (ii) *secondly*, to the extent there are additional proceeds of enforcement, apply such proceeds in accordance with the approach of a Reasonable, Prudent Residential Mortgage Lender;

**provided that** in each such case throughout each period in which such Party is the Legal Title Holder of a Loan or Mortgage but is not the beneficial owner of such Loan or Mortgage, such Party shall retain all its Cross-collateral Rights but shall only exercise its Cross-collateral Rights in accordance with the instructions of the relevant beneficial owner (or the holder of a Security Interest granted by that beneficial owner) and in the manner contemplated in this Clause 2.1 and in Clause 2.2.

## **2.2 Mortgage Interest Holders and the Legal Title Holder**

In relation to each Loan and Mortgage in respect of which a Mortgage Interest Holder is not also the Legal Title Holder, such Mortgage Interest Holder irrevocably directs the Legal Title Holder to observe and comply with the terms of this Deed in relation to such Loan and Mortgage throughout each period that such Mortgage Interest Holder is not also the Legal Title Holder.

## **2.3 No effect on rights and obligations of Borrowers**

Each of the parties hereto confirm that the provisions of this Deed are intended to take effect only between the Parties and do not in any way affect the rights and obligations between a Borrower and the Legal Title Holder and, if different, each relevant Mortgage Interest Holder.

## **3. SECURITY HOLDER PROVISIONS**

### **3.1 Consents by trustees**

- (a) The Canterbury Finance No. 1 Security Holder (being at the date of this Deed Citi) consents to Canterbury Finance No. 1 entering into this Deed.

- (b) In relation to each Additional Security Deed the relevant Additional Security Holder consents to the relevant Additional Mortgagee entering into this Deed and each subsequent Accession Deed.

### **3.2 Notice of Security Interests**

Each Party acknowledges that:

- (a) Canterbury Finance No. 1 has, by way of security, assigned and/or charged its interest in this Deed to the Canterbury Finance No. 1 Security Holder; and
- (b) where an Accession Deed includes an Additional Security Holder, the relevant Additional Mortgagee has, by way of security, assigned and/or charged its interest in this Deed to the relevant Additional Security Holder.

Each Party agrees to execute (and the Canterbury Finance No. 1 Security Holder consents to Canterbury Finance No. 1 executing and each Additional Security Holder consents to the relevant Additional Mortgagee executing) a written acknowledgment of such assignment and/or charge in the form set out in Schedule 2 hereto.

### **3.3 No assumption of liabilities of others**

Each Party agrees that the Canterbury Finance No. 1 Security Holder and each Additional Security Holder shall not by being a Party assume any of the obligations, responsibilities or liabilities of any other Party in relation to this Deed.

## **4. BENEFIT OF DEED**

### **4.1 Accession of Mortgage Successors and Mortgage Successor Security Holders**

Each Party shall use its best endeavours to ensure that on or before each date that a Mortgage Successor of such Party becomes a Mortgage Interest Holder (or as soon as practicable thereafter):

- (a) such Mortgage Successor executes and delivers an Accession Deed as an Additional Mortgagee; and
- (b) each Mortgage Successor Security Holder in relation to that Mortgage Successor executes and delivers an Accession Deed as an Additional Security Holder.

Each Party shall execute such documents and take such actions as reasonably necessary for the purposes of making each Mortgage Successor and such a party to this Deed.

### **4.2 Creditor Accession Undertaking**

With effect from the date of acceptance by Citi of an Accession Deed (which shall in each case be accepted as soon as reasonably practicable after receipt by it of a duly completed Accession Deed) or, if later, the date specified in that Accession Deed as from that date, the Additional Mortgagee and Additional Security Holder shall assume that same obligations, and become entitled to the same rights, as if it had been an original party to this Deed.

### **4.3 Additional Parties**

Each of the parties appoints Citi to receive on its behalf each Accession Deed delivered to Citi and to accept and sign it if, in Citi's opinion, it is complete and appears on its face to be authentic and duly executed and until accepted and signed by Citi, that document shall not be effective.

**5. POWERS OF ATTORNEY**

Each Party (other than the Attorney):

- (a) appoints the Attorney severally (each with full power of appointing substitutes and delegates) to be such Party's true and lawful attorney for such Party and in such Party's or the Attorney's name and on such Party's behalf to execute and deliver each Accession Deed from time to time as such Party's deed and such other acts or things in each case in such manner and to such standard as the Attorney, in its absolute discretion, may decide is incidental thereto;
- (b) covenants with and undertakes to the Attorney to ratify and confirm any deed, document, act or thing and all transactions which the Attorney and any such substitute or delegate may lawfully execute or do pursuant to such appointment;
- (c) covenants with and undertakes to the Attorney to indemnify the Attorney and keep the Attorney indemnified against all costs, claims and liabilities which the Attorney may reasonably incur as a result of anything done by the Attorney in the exercise of any of the powers conferred, or purported to be conferred, on the Attorney by such appointment; and
- (d) irrevocably agrees that such appointment may only be terminated by such Party by five working days prior written notice to the Attorney.

**6. VARIATION**

No variation of this Deed shall be effective unless it is in writing and signed by or on behalf of each of the Parties.

**7. INVALIDITY OF ANY PROVISION**

The invalidity, illegality or unenforceability of a provision of this Deed does not affect or impair the continuation in force of the remainder of this Deed.

**8. THIRD PARTY RIGHTS**

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 these presents, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

**9. GOVERNING LAW**

This Deed (and any non contractual obligations arising out of or in connection with it) is governed by, and shall be construed in accordance with, English law.

**IN WITNESS WHEREOF** this Deed has been executed and delivered as a deed by each party on the date indicated at the start of this Deed.

## SCHEDULE 1

### FORM OF CROSS-COLLATERAL MORTGAGE RIGHTS ACCESSION DEED

THIS ACCESSION DEED is dated [●] and made

**BETWEEN:**

- (1) [INSERT NAME OF ACCESSION PARTY] (registered number [●]) whose registered office is at [●] (the **Additional Mortgagee**);
- (2) [INSERT NAME OF ADDITIONAL SECURITY HOLDER] who has a place of business at [●] being the holder of certain Security Interests created from time to time by the Additional Mortgagee under or pursuant to the Additional Security Deed (in such capacity the **Additional Security Holder**); and
- (3) [CITICORP TRUSTEE COMPANY LIMITED] acting on behalf of itself and each Current Party (as defined below).

THIS ACCESSION DEED WITNESSES as follows:

#### 1. INTERPRETATION

##### 1.1 Definitions

In this Accession Deed, except so far as the context otherwise requires:

[**Additional Security Deed** means a [deed] dated [●] between[, among others,] the Additional Mortgagee and the Additional Security Holder.]

**Current Party** means each person who immediately prior to the date of this Accession Deed is a party to the Principal Deed.

**Principal Deed** means a cross-collateral mortgage rights deed originally dated [●] 2019 between OneSavings Bank PLC, Canterbury Finance No. 1 PLC and Citicorp Trustee Company Limited and as further amended, restated and supplemented from time to time.

##### 1.2 Definitions in Principal Deed

Except where otherwise defined in this Accession Deed, expressions defined in the Principal Deed shall have the same meaning in this Accession Deed.

##### 1.3 Supplemental to Principal Deed

This Accession Deed is supplemental to the Principal Deed.

#### 2. ACCESSION

The parties to this Accession Deed agree that as from the date of this Accession Deed [each of] the Additional Mortgagee [and Additional Security Holder] shall become and be a party to the Principal Deed and all the provisions shall apply to and between each of the parties to the Principal Deed (including the Current Parties[, and] the Additional Mortgagee [and the Additional Security Holder]).

**3. GOVERNING LAW**

This Accession Deed is governed by, and shall be construed in accordance with, English law.

**IN WITNESS WHEREOF** this Accession Deed has been executed and delivered as a deed by each party on the date indicated at the start of this Accession Deed.

**SIGNATORIES**

**[EXECUTION as a DEED by the ADDITIONAL MORTGAGEE] [EXECUTION as a DEED by the ADDITIONAL SECURITY HOLDER]**

**[EXECUTION as a DEED by [CITICORP TRUSTEE COMPANY LIMITED] EXECUTING for itself and as ATTORNEY for each other Current Party]**

**SCHEDULE 2**

**FORM OF NOTICE OF ASSIGNMENT**

To: [●]

Date: [●]

Dear Sirs

**[ADDITIONAL MORTGAGEE] – NOTICE OF ASSIGNMENT OF THE CROSS-COLLATERAL MORTGAGE RIGHTS DEED**

1. We hereby give you notice that we have assigned to [Citicorp Trustee Company Limited] (the **Assignee**) pursuant to a [Deed of Charge] entered into by us in favour of the Assignee dated on or about [●] all our right, title, interest and benefit present and future in the cross-collateral mortgage rights deed originally dated [●] 2019 between OneSavings Bank PLC, Canterbury Finance No. 1 PLC and Citicorp Trustee Company Limited and as further amended, restated and supplemented from time to time (the **Deed**) including all moneys which may be payable in respect of the Deed.
2. With effect from the date of your receipt of this notice:
  - (a) all payments by you to us under or arising from the Deed (the **Payments**) shall be paid to the Assignee or to its order as it may specify in writing from time to time;
  - (b) all remedies provided for in the Deed or available at law or in equity in respect of the Payments shall be exercisable by the Assignee;
  - (c) all rights to compel performance of the Deed shall be exercisable by, or at the direction of, the Assignee although we shall remain liable to perform all the obligations assumed by us under the Deed; and
  - (d) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Deed shall belong to the Assignee.
3. These instructions may not be revoked, nor may the terms of the Deed be amended, varied, waived or terminated, without the prior written consent of the Assignee.
4. Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Assignee at [Citicorp Trustee Company Limited, Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB , e-mail: sf.issuer@citi.com marked for the attention of Agency and Trust].
5. This notice is governed by English law.

Yours faithfully

**SIGNED**

by a duly authorised representative for and on behalf of )  
[ADDITIONAL MORTGAGEE] )

By .....

**ACKNOWLEDGEMENT**

[On copy only]

To: [ADDITIONAL MORTGAGEE]

We acknowledge receipt of a notice in the terms set out above and confirm that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits in and to the Payments and that we will comply with the terms of the notice from [ADDITIONAL MORTGAGEE] (the **Assignor**).

We further confirm that:

- (a) we have not claimed or exercised and have no outstanding right to claim or exercise any right of set-off, counterclaim or other right relating to the Payments; and
- (b) no amendment, waiver or release of any rights, interests and benefits in and to the Deed shall be effective without the Assignee's prior written consent.

**ACKNOWLEDGED BY**

**ONESAVINGS BANK PLC**

By: .....

Dated: .....

**CANTERBURY FINANCE NO. 1 PLC**

By: .....

Dated: .....

**CITICORP TRUSTEE COMPANY LIMITED**

as Canterbury Finance No. 1 Security Holder

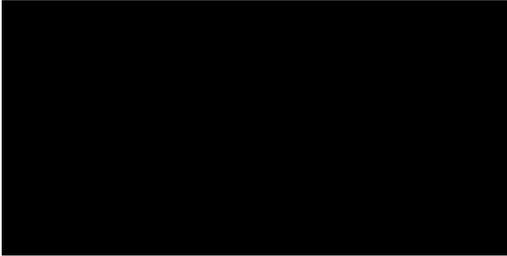
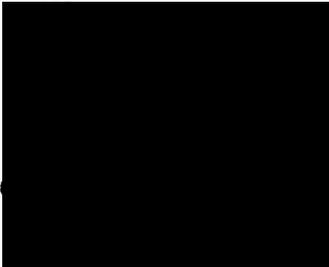
By: .....

Dated: .....

[ANY OTHER ADDITIONAL MORTGAGEES AND THEIR SECURITY HOLDER, OTHER THAN THE ASSIGNEE AND ASSIGNOR]

**SIGNATORIES**

**EXECUTED and DELIVERED as a DEED by** )  
**ONESAVINGS BANK PLC** )  
 )  
acting by its attorney )  
in the presence of this witness )  
 )  
Witness Signature: )  
 )  
Full Name: )  
 )  
Address: )



**EXECUTED and DELIVERED as a DEED by** )  
**CANTERBURY FINANCE NO. 1 PLC** )  
acting by two directors )  
 )  
per pro CSC Directors (No. 1) Limited )  
 )  
 )  
per pro CSC Directors (No. 2) Limited )

**EXECUTED and DELIVERED as a DEED by** )  
**CITICORP TRUSTEE COMPANY LIMITED** )  
acting by two duly authorised Attorneys )

**SIGNATORIES**

**EXECUTED and DELIVERED as a DEED by** )  
**ONESAVINGS BANK PLC** )

acting by its attorney ) .....  
in the presence of this witness )

Witness Signature: ) .....  
)

Full Name: )  
)

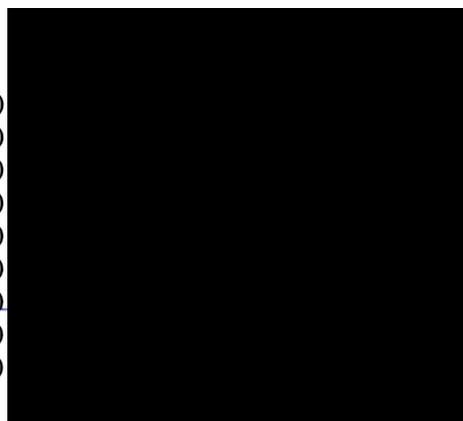
Address: )  
)

**EXECUTED and DELIVERED as a DEED by** )  
**CANTERBURY FINANCE NO. 1 PLC** )

acting by two directors )  
)

per pro CSC Directors (No. 1) Limited )  
)

per pro CSC Directors (No. 2) Limited )  
)



**EXECUTED and DELIVERED as a DEED by** )  
**CITICORP TRUSTEE COMPANY LIMITED** )

acting by two duly authorised Attorneys )

