

MR01

Particulars of a charge

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✓ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument.

✗ **What this form is NOT for**
You may not use this form to
register a charge where the
instrument. Use form MR01

FRIDAY



A09 01/09/2017 #176
COMPANIES HOUSE

This form **must be delivered to the Registrar for registration within 21 days** beginning with the day after the date of creation of the charge. If delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery.

☒ You **must** enclose a certified copy of the instrument with this form. This will be scanned and placed on the public record. **Do not send the original.**

1

Company details

Company number 04181611
Company name in full Quercus Nursing Homes 2001 (B) Limited

1214 For official use
→ **Filling in this form**
Please complete in typescript or in
bold black capitals.
All fields are mandatory unless
specified or indicated by *

2

Charge creation date

Charge creation date 21/08/2017

3

Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge.

Name Mount Street Mortgage Servicing Limited as Security Agent for
the Secured Parties (as defined in the instrument)

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below.

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge.

MR01

Particulars of a charge

4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument".

Please limit the description to the available space.

Brief description

The instrument contains charges (not expressed to be floating charges) over all of the Chargor's rights in land and intellectual property including specifically Acacia House, Ashford Road, Tenterden, Kent, TN30 6QA and Arkle Lodge, Nursing Home, Sprents Lane, Overton, Basingstoke, Hampshire, RG25 3HX. See the instrument for more details.

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box.

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box.

☒ Yes Continue

☐ No Go to Section 7

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box.

☒ Yes

☐ No

8

Trustee statement ①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge.

☒

① This statement may be filed after the registration of the charge (use form MR06).

9

Signature

Please sign the form here.

Signature

Signature

X Mayer Brown International LLP X

This form must be signed by a person with an interest in the charge.

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Samuel Bold

Company name Mayer Brown International LLP

Address 201 Bishopsgate

Post town London

County/Region

Postcode

E C 2 M 3 A F

Country

DX DX 556 London and City

Telephone 020 3130 3000



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☒ [X] The company name and number match the information held on the public Register.
- ☒ [X] You have included a certified copy of the instrument with this form.
- ☒ [X] You have entered the date on which the charge was created.
- ☒ [X] You have shown the names of persons entitled to the charge.
- ☒ [X] You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8.
- ☒ [X] You have given a description in Section 4, if appropriate.
- ☒ [X] You have signed the form.
- ☒ [X] You have enclosed the correct fee.
- ☒ [X] Please do not send the original instrument; it must be a certified copy.



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House.'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales:

The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:

The Registrar of Companies, Companies House, Fourth floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

For companies registered in Northern Ireland:

The Registrar of Companies, Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4181611

Charge code: 0418 1611 0124

The Registrar of Companies for England and Wales hereby certifies that a charge dated 21st August 2017 and created by QUERCUS NURSING HOMES 2001 (B) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st September 2017.

Dt

Given at Companies House, Cardiff on 6th September 2017



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

Dated 21 August 2017

- (1) **THE PERSONS LISTED IN SCHEDULE 1** as Initial Chargors
- (2) **MOUNT STREET MORTGAGE
SERVICING LIMITED** as Security Agent

SECURITY AGREEMENT

I certify that, save for material redacted pursuant to s.859G of the Companies Act 2006, this copy instrument is a correct copy of the original instrument.

Signed *Mayer Brown International LLP*
Mayer Brown International LLP

Date 21.8.17

MAYER • BROWN

LONDON

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THIS DEED ("SECURITY AGREEMENT") is dated 21 August 2017 and made between:

- (1) **THE PERSONS** listed in Schedule 1 (*The Initial Chargors*) (each an **"Initial Chargor"** and together the **"Initial Chargors"**); and
- (2) **MOUNT STREET MORTGAGE SERVICING LIMITED**, as trustee for the Secured Parties (the **"Security Agent"**).

BACKGROUND:

- (A) The Parties, amongst others, entered into the HFI Facility Agreement and the HFS Facility Agreement on 7 December 2016. On or about the date of this Security Agreement and pursuant to the Supplemental HFI Facility Agreement and the Supplemental HFS Facility Agreement, the HFI Facility Agreement and the HFS Facility Agreement have been amended and restated and an additional HFS 2 Facility Agreement has been executed.
- (B) The provision of this Security Agreement is a condition precedent to the Effective Date (as defined in the Supplemental HFS Facility Agreement and the Supplemental HFI Facility Agreement) under the Supplemental HFS Facility Agreement and the Supplemental HFI Facility Agreement. This is the **"Second English Security Agreement"** as defined in the Intercreditor Agreement.
- (C) The provision of this Security Agreement is in addition to the First Security Agreement.
- (D) The Security Agent holds this Security and any rights granted in this Security Agreement to any other Secured Parties on trust for the Secured Parties on the terms set out in the Intercreditor Agreement.
- (E) This document is the deed of each Chargor, even if it has not been duly executed by the Security Agent or has been executed by the Security Agent but not as a deed.
- (F) Each Chargor enters into this deed in each and all of its capacities including, without limitation, in its capacity as a trustee in respect of any trust from time to time.

THIS DEED WITNESSES that:

1. DEFINITIONS AND INTERPRETATION

1.1 Terms defined in the Intercreditor Agreement

Terms defined in the Intercreditor Agreement but not in this Security Agreement shall have the same meanings in this Security Agreement as in the Intercreditor Agreement.

1.2 Definitions

In addition, in this Security Agreement:

"Accession Deed" means a deed of accession substantially in the form set out in Schedule 5 (*Form of Accession Deed*) or in such other form as may be specified by the Security Agent.

"Additional Chargor" means any person which becomes a Chargor pursuant to Clause 21.1 (*Accession of Additional Chargors*).

"Administrator" means any administrator appointed under this Security Agreement to manage the affairs, business and assets of any Chargor.

"Assigned Document" means any document rights under which are from time to time assigned under this Security Agreement.

"Authorisation" means an authorisation, permit, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Chargors" means the Initial Chargors and any Additional Chargor and **"Chargor"** means any of them.

"Debt" means any book or other debt, revenue or claim. In relation to a Chargor, **"its Debts"** means all Debts in which it has any rights.

"Debt Documents" has the meaning given to it in the Intercreditor Agreement and includes the Facility Agreements and this Security Agreement.

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Security Agent or a Receiver.

"Discharge Date" has the meaning given to it in Clause 20.1 (*Definitions relating to release of this Security*).

"Facility Agreements" has the meaning given to it in the Intercreditor Agreement and **"Facility Agreement"** means any of them.

"Finance Party" has the meaning given to it in the Intercreditor Agreement and includes any Lenders and the Security Agent.

"Hedging Agreement" has the meaning given to it in the Intercreditor Agreement.

"IA" means the Insolvency Act 1986.

"Insolvency Event" in relation to a person includes the dissolution, bankruptcy, insolvency, winding-up, liquidation, administration, examination, amalgamation, reconstruction, reorganisation, arrangement, adjustment, administrative or other receivership or dissolution of that person, the official management of all of its revenues or other assets or the seeking of protection or relief from debtors and any equivalent or analogous proceeding, whatever it is called, in any jurisdiction.

"Insurance" means any policy or contract of insurance. In relation to a Chargor, **"its Insurances"** means all Insurances (including where applicable, any listed in Schedule 3, part 5 (*Specified Insurance*) or in the matching schedule in any Accession Deed) in which it has any rights (including as loss payee or additional insured).

"Intellectual Property" means:

- (a) all patents, utility models, trade and service marks, trade names, domain names, design rights, copyrights, moral rights, topography rights, rights in databases, trade secrets, know-how and other intellectual property, whether or not registered or registrable; and including
- (b) registrations and applications for registration of any of these and rights to apply for the same,

and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of these anywhere in the world. In relation to a Chargor, "**its Intellectual Property**" means all Intellectual Property (including where applicable any listed in Schedule 3, Part 3 (*Specified Intellectual Property*) or in the matching schedule in any Accession Deed) in which it has any rights.

"**Intercreditor Agreement**" means the intercreditor agreement originally dated 7 December 2016, as amended and restated on or about the date of this Security Agreement between, amongst others, (1) LSREF IV Oak 1 Limited as the company; (2) Citigroup Global Markets Limited as arranger; (3) the financial institutions listed in Schedule 1 therein as original lenders; and (4) Mount Street Mortgage Servicing Limited as the agent and security agent.

"**Investment**" means any share, stock, debenture, bond, partnership interest or other security or investment. In relation to a Chargor, "**its Investments**" means all Investments (including where applicable any listed in Schedule 3, Part 4 (*Specified Investments*) or in the matching schedule in any Accession Deed) in which it has any rights and all its rights against any nominee or other trustee, fiduciary, custodian or clearing system with respect to any Investments.

"**Lease**" means any lease, tenancy, licence, sub-lease, sub-licence or other occupational right.

"**Lease Document**" in relation to a Mortgaged Property has the meaning given to it in relation to a Property in the Intercreditor Agreement.

"**Losses**" means losses (including loss of profit), claims, demands, actions, proceedings, damages and other payments, costs, expenses and other liabilities of any kind.

"**LPA**" means the Law of Property Act 1925.

"**Mortgaged Properties**" means the Properties and any other land in which a Chargor has any rights from time to time, "**Mortgaged Property**" means any of them and any reference to one or more of the Mortgaged Properties includes all or any part of each relevant Mortgaged Property.

"**Notice of Assignment**" means a notice of assignment substantially in the form set out in Schedule 4, Part 1 (*Notice of assignment of Tenant Assigned Documents*), Part 2 (*Notice of assignment of Assigned Document*) or Part 3 (*Notice of assignment of Insurance*), as appropriate, or in such other form as may be specified by the Security Agent.

"Notice of Charge of Other Bank Account" means a notice of charge substantially in the form set out in Schedule 4, Part 5 (*Notice of charge of Other Bank Accounts*) or in such other form as may be specified by the Security Agent.

"Notice of Charge of Specified Account" means a notice of charge substantially in the form set out in Schedule 4, Part 4 (*Notice of charge of Specified Accounts*) or in such other form as may be specified by the Security Agent.

"Notice of Security" means a Notice of Assignment, a Notice of Charge of Specified Account or a Notice of Charge of Other Bank Account, as applicable.

"Occupational Lease" in relation to a Mortgaged Property has the meaning given to it in relation to a Property in the Intercreditor Agreement.

"Other Bank Accounts" means any bank account listed or referred to in Schedule 3, Part 2 (*Other Bank Accounts*) or in the matching schedule in any Accession Deed.

"Party" means a party to this Security Agreement.

"Properties" means the properties brief details of which are set out in Schedule 2 (*Properties*), **"Property"** means any of them and any reference to one or more of the Properties includes all or any part of each relevant Property.

"Receiver" means any receiver, receiver and manager or administrative receiver appointed under this Security Agreement by the Security Agent, or under any applicable law, over all or any of the Security Assets whether solely, jointly, severally or jointly and severally with any other person and includes any substitute for any of them appointed from time to time.

"Rental Income" in relation to a Mortgaged Property has the meaning given to it in relation to a Property in the Intercreditor Agreement.

"Scottish Fixed Security" means any Assignment of Rent or Standard Security (as each such term is defined in the Intercreditor Agreement) granted by a Chargor pursuant to the Debt Documents.

"Scottish Floating Charge" shall have the meaning given to that term in the Intercreditor Agreement.

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity) of each Transaction Obligor to any Secured Party under each Debt Document, but excluding any money, obligation or liability which would cause the covenant set out in Clause 2.1 (*Covenant to pay*) or the security which would otherwise be constituted by this Security Agreement to be unlawful or prohibited by any applicable law or regulation.

"Secured Party" means a Finance Party, a Receiver or any Delegate.

"Security Assets" means the assets from time to time the subject of this Security, **"Security Asset"** means any of them and any reference to one or more of the Security Assets includes all or any part of it or each of them.

"Security Enforcement Party" means the Security Agent, any Receiver or any Delegate.

"Security Interest" means a mortgage, charge, pledge, lien or other security interest under any applicable law securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Specified Account" means any bank account listed or referred to in Schedule 3, Part 1 (*Specified Accounts*) or in the matching schedule in any Accession Deed.

"Subordinated Debt" has the meaning given to it in the Intercreditor Agreement.

"Subordinated Debt Document" means any agreement or other document constituting or evidencing any Subordinated Debt or the terms of any Subordinated Debt.

"Tenant Facility" has the meaning given to the term in the Intercreditor Agreement.

"Tenant Security" has the meaning given to the term in the Intercreditor Agreement.

"Transaction Obligor" has the meaning given to the term in the Intercreditor Agreement.

"Trust Property" means all rights in the Properties and all rights in all other assets held, arising from, derived, created or acquired by a Chargor and held on trust for another Chargor from time to time.

1.3 Construction

- (a) Clause 1.2 (*Construction*), clause 1.6 (*Jersey Terms*), clause 1.7 (*Scottish Terms*), clause 1.8 (*Irish Terms*) and clause 1.9 (*Trust matters*) of the Intercreditor Agreement shall apply as if set out in full again here, with references to "this Agreement" being construed as references to this Security Agreement and with such other changes as are appropriate to fit this context.
- (b) In addition, in this Security Agreement, unless a contrary indication appears any reference to:
 - (i) **"assets"** includes present and future properties, revenues, rights and other assets of every description (including without limitation any asset held on trust from time to time). Any reference to **an asset** includes any proceeds of disposal of all or part of that asset and any other monies paid or payable in respect of that asset and any reference to a **particular type or category of assets** includes any present or future assets of that type or category;
 - (ii) **"constitutional documents"** includes, in relation to any person, as the context so requires, the certificate or deed of incorporation, articles of association or incorporation, by-laws, regulations, limited partnership agreement, charter, trust instrument or deed of that person and/or other document(s) defining the existence and regulating the control of that

- person as between it and its shareholders (but not between its shareholders only);
- (iii) the "**Chargors**" includes a reference to any one or more of them as well as a reference to all of them;
 - (iv) any **Debt Document** or other **document** is to that Debt Document or other document as supplemented, otherwise amended, replaced or novated from time to time (however fundamental that amendment, novation or replacement may be, even if it involves increased, new, additional, extended and/or replacement facilities or an increase in any other amount or rate);
 - (v) the masculine, feminine or neuter **gender** respectively includes the other genders and the **singular** includes the plural (and vice versa);
 - (vi) "**including**" means "including without limitation" (with related words being construed accordingly), "**in particular**" means "in particular but without limitation" and other **general words** shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of assets, matters or things;
 - (vii) a "**Recital**" is to a statement made under the heading "Background" above and any reference to a "**Clause**" or to a "**Schedule**" is to a clause of or a schedule to this Security Agreement (as the case may be);
 - (viii) a "**right**" includes any title, estate, interest, claim, remedy, power, authority, discretion or other right of any kind, both present and future. Any reference to a **Chargor's rights** in any document or asset (or any type or category of documents or assets) includes any rights in, to, under, in respect of or derived from that document or asset (or any document or asset of that type or in that category);
 - (ix) "**this Security**" means the Security Interests constituted by or pursuant to this Security Agreement; and
 - (x) **this Security Agreement** includes the Recitals and Schedules and any Accession Deed, which form part of this Security Agreement for all purposes.
- (c) The index and Clause and Schedule headings are for ease of reference only.
 - (d) If there is any inconsistency between the terms of this Security Agreement and those of the Intercreditor Agreement or the Facility Agreements, the terms of the Intercreditor Agreement shall prevail and then the terms of the Facility Agreements shall prevail.
 - (e) If there is any inconsistency between the terms of the Facility Agreements and the Intercreditor Agreement, the terms of the Intercreditor Agreement shall prevail.

1.4 Third party rights

- (a) A person who is not a Party (other than any Receiver or Delegate) has no right under the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce or enjoy the benefit of any term of this Security Agreement.
- (b) Notwithstanding Clause 1.4(a), no consent of any person who is not a Party is required to rescind or vary this Security Agreement at any time.

1.5 Disposition of land

The terms of the other Debt Documents and any related documents are incorporated into this Security Agreement to the extent necessary for any purported disposition of land contained in the Debt Documents to be valid in accordance with s2(1) Law of Property (Miscellaneous Provisions) Act 1989.

1.6 Failure to execute

Each Chargor shall be bound by this Security Agreement even if any person who was intended to execute it or be bound by it as a Chargor has not duly executed or become bound by it.

2. PAYMENT OF THE SECURED LIABILITIES

2.1 Covenant to pay

Each Chargor covenants with and undertakes to the Security Agent to pay and discharge, or procure the payment or discharge of, each of the Secured Liabilities at the time and in the manner provided in the relevant document for their payment or discharge by the relevant Transaction Obligor.

2.2 Further advances

This Security Agreement is made to secure any further advances or other facilities made available by any Finance Party under the Debt Documents. It does not create any obligation on any Finance Party to make any further advances or other facilities available.

3. CREATION OF SECURITY INTERESTS

3.1 General provisions regarding Security Interests

- (a) Each of the charges and assignments created under this Security Agreement:
 - (i) is granted to the Security Agent as trustee for the Secured Parties;
 - (ii) secures the payment and discharge of the Secured Liabilities; and
 - (iii) is made with full title guarantee or in relation to Security Assets located in Scotland or otherwise governed by Scots law, with absolute warrandice.

- (b) Each fixed charge created under this Security Agreement takes effect as an equitable mortgage.
- (c) Each assignment under this Security Agreement is subject to a proviso for re-assignment on redemption in accordance with Clause 20.2 (*Release of this Security*).
- (d) This Security is subject to the Intercreditor Agreement.
- (e) If, to the extent and for so long as any charge or assignment under this Security Agreement fails to take effect over a Chargor's rights in any asset because an Authorisation necessary for it to do so has not been obtained or made, the relevant Chargor shall:
 - (i) notify the Security Agent as soon as reasonably practicable following becoming aware that an Authorisation has not been obtained or made;
 - (ii) use its reasonable endeavours upon request of the Security Agent to obtain or make the Authorisation as soon as possible; and
 - (iii) until it is obtained or made, hold the relevant rights on trust for the Security Agent.
- (f) The fixed security created or to be created under Clause 3.2 to Clause 3.8 (inclusive) excludes any assets and undertakings:
 - (i) effectively secured by Scottish Fixed Security or any Jersey Security Agreement; or
 - (ii) located in, or governed by the laws of, Scotland.

3.2 Land

- (a) Each Chargor charges:
 - (i) by way of first legal mortgage, all estates or interests owned by it at the date of this Security Agreement in the Properties and any other land in England and Wales; and
 - (ii) by way of first fixed charge, all of its other rights in any land.
- (b) In this Security Agreement, unless a contrary indication appears any reference to any land includes all buildings, plant, machinery and other fixtures and fittings from time to time on that land.
- (c) Each Chargor assigns absolutely all of its rights in any:
 - (i) Lease Document (including any Occupational Lease); and
 - (ii) Rental Income or other payment,
 relating to any Mortgaged Property.

3.3 Accounts

Each Chargor charges by way of first fixed charge all of its rights:

- (a) in any credit balances on the Specified Accounts and the indebtedness represented by them; and
- (b) in any credit balances on any Other Bank Accounts and any other bank accounts and the indebtedness represented by them.

3.4 Debts

- (a) Each Chargor charges by way of first fixed charge all of its rights in its Debts.
- (b) In this Security Agreement, unless a contrary indication appears any reference to a Debt includes the benefit of any Security Interest, guarantee or other right in relation to that Debt.

3.5 Investments

- (a) Each Chargor charges by way of first fixed charge all of its rights in its Investments.
- (b) In this Security Agreement, unless a contrary indication appears any reference to an Investment includes:
 - (i) any associated dividends and interest and any other payments and distributions; and
 - (ii) any right, money or property accruing or offered at any time in respect of the Investment by way of redemption, exchange, bonus or otherwise.

3.6 Insurances

Each Chargor assigns absolutely all of its rights in its Insurances.

3.7 Assignment of documents

- (a) Each Chargor assigns absolutely all of its rights in:
 - (i) any agreement pursuant to which it acquired any Mortgaged Property and any transfer of any Mortgaged Property;
 - (ii) any agreement pursuant to which it acquired any Investments and any transfer of any Investments;
 - (iii) any appointment of an asset manager or managing agent in relation to any Mortgaged Property;
 - (iv) any environmental, building, structural or other report relating to any Mortgaged Property;

- (v) any Hedging Agreement (without prejudice and subject to any netting or set-off provisions contained in it);
 - (vi) any Subordinated Debt and Subordinated Debt Documents;
 - (vii) any Tenant Security;
 - (viii) any Tenant Facility;
 - (ix) any Intra-Group Deed of Assignment;
 - (x) any Intra-Group SPA;
 - (xi) any Asset Management Agreement;
 - (xii) any Property Management Agreement;
 - (xiii) any Hudson Agreement; and
 - (xiv) any other document from time to time designated as an Assigned Document, either by the relevant Chargor (or the Company on its behalf) and the Security Agent or in an Accession Deed.
- (b) For the avoidance of doubt, each Chargor will remain at all times liable in respect of all of its obligations under each Assigned Document and no Secured Party will be under any obligation or liability under or in respect of those Assigned Documents.

3.8 Miscellaneous fixed charges

Each Chargor charges by way of first fixed charge, in each case to the extent not otherwise charged or assigned in Clause 3.2 to Clause 3.7 or in the matching provisions in an Accession Deed:

- (a) all of its rights in any plant, machinery, vehicles, equipment and other chattels (but excluding its stock-in-trade or work-in-progress);
- (b) any goodwill and uncalled capital from time to time and all of its rights to future calls in respect of capital;
- (c) all of its rights in its Intellectual Property;
- (d) all licences, consents and other Authorisations held in connection with its business or the use of any Security Assets and all of its rights in connection with them;
- (e) all of its rights in any agreement, collateral warranty or other document relating to the construction, demolition, structural alteration, addition, development or similar operation in respect of any Mortgaged Property; and

- (f) all of its rights in any security interests, guarantees, indemnities, covenants for title, agreements, reports and other documents including those relating to all or any part of the Security Assets.

3.9 Floating charge

- (a) Each Chargor charges by way of first floating charge the whole of its undertaking and other assets including, for the avoidance of doubt, all its present and future undertakings and other assets located in Scotland or otherwise governed by Scots law.
- (b) The floating charge created pursuant to Clause 3.9(a) shall be deferred in point of priority to any Scottish Floating Charge validly and effectively created by that Chargor under the Debt Documents in favour of the Security Agent as security for the Secured Liabilities.
- (c) Schedule B1, Paragraph 14 IA shall apply to the floating charge created by each Chargor in this Security Agreement.
- (d) The Security Agent may at any time by notice to a Chargor convert (to the extent permitted by applicable law) the floating charge created by that Chargor in this Security Agreement into a fixed charge with immediate effect as regards any Security Asset specified in the notice if:
 - (i) an Event of Default has occurred and is continuing; or
 - (ii) the Security Agent considers that it is necessary to protect the priority of this Security.
- (e) The Security Agent may at any time by notice to a Chargor convert (to the extent permitted by applicable law) the floating charge created by that Chargor in this Security Agreement into a fixed charge with immediate effect as regards a Security Asset (but as regards that Security Asset only) if the Security Agent reasonably considers that it may be in danger of being seized or sold pursuant to any form of legal process or otherwise in jeopardy.
- (f) The floating charge created by a Chargor in this Security Agreement shall (to the extent permitted under applicable law) automatically be converted into a fixed charge with immediate effect as regards the assets concerned if:
 - (i) that Chargor breaches Clause 5 (*Negative pledge and disposals*) or attempts to do so; or
 - (ii) any person levies or attempts to levy any distress, execution, sequestration or other process against that asset.
- (g) The floating charge created by a Chargor in this Security Agreement shall (to the extent permitted under applicable law) automatically be converted into a fixed charge with immediate effect as regards all assets if:
 - (i) a resolution is passed or an order is made for the dissolution or re-organisation of that Chargor;

- (ii) any steps are taken to appoint (or have appointed) an administrator of that Chargor or wind it up or if an administrator is appointed; or
 - (iii) any action, legal proceedings or other procedure is taken in relation to the application for an order declaring any of the assets of that Chargor to be en désastre or that Chargor becoming "bankrupt" within the meaning of Article 8 of the Interpretation (Jersey) Law 1954.
- (h) Nothing in this Clause 3.9:
- (i) shall affect the crystallisation of the floating charge created by any Chargor under applicable law and regulation; or
 - (ii) shall permit the floating charge created by a Chargor to be crystallised solely as a result of the obtaining of, or of anything done with a view to obtaining, a moratorium under s1A IA.

4. PERFECTION OF SECURITY AND FURTHER ASSURANCE

4.1 Notice of Security

- (a) Each Chargor shall deliver a Notice of Security (with a copy to the Security Agent), duly completed upon the occurrence of an Event of Default which is continuing:
 - (i) forthwith, to each tenant and each other party to any Occupational Lease;
 - (ii) forthwith, to each party to any Tenant Security;
 - (iii) forthwith, to each party to any Tenant Facility.
- (b) Each Chargor shall deliver a Notice of Security (with a copy to the Security Agent), duly completed:
 - (i) forthwith, to any bank with which it opens or maintains any Specified Account or other bank account;
 - (ii) forthwith, to any insurer in respect of any Insurance;
 - (iii) forthwith, to any counterparty under any Hedging Agreement;
 - (iv) forthwith, to any debtor in respect of any Subordinated Debt;
 - (v) upon request, to any person against which it has rights in respect of any other Debt;
 - (vi) forthwith, to each party to any Intra-Group SPA;
 - (vii) forthwith, to each party to any Intra-Group Deed of Assignment;
 - (viii) forthwith, to the Asset Manager in respect of any Asset Management Agreement;

- (ix) forthwith, to the Property Manager in respect of any Property Management Agreement;
- (x) forthwith, to Hudson in respect of any Hudson Agreement; and
- (xi) upon request, to any party to any other document (other than in respect of those documents listed in Clause 4.1(a)),

in each case in respect of which that Chargor has granted a Security Interest in this Security Agreement.

- (c) In Clause 4.1(a), "**forthwith**" means promptly following the Event of Default occurring.
- (d) In Clause 4.1(b):
 - (i) "**forthwith**" means promptly upon execution of this Security Agreement or the relevant Accession Deed or, if later, upon the relevant document, account, Debt (including Subordinated Debt) or Insurance being entered into or otherwise coming into existence; and
 - (ii) "**upon request**" means promptly upon request by the Security Agent.
- (e) Each Chargor shall use reasonable endeavours to procure that each addressee of a Notice of Security promptly acknowledges that Notice of Security substantially in the form attached to that Notice of Security (or in such other form as the Security Agent may approve).
- (f) The execution of this Security Agreement or the relevant Accession Deed by each Chargor and the Security Agent shall constitute notice to each Chargor of any Security Interest over any indebtedness owed to it by a Chargor.

4.2 Further assurance

- (a) Each Chargor shall promptly and at its own expense take such action as the Security Agent or any Receiver may reasonably require:
 - (i) to improve, preserve, perfect or protect the security created (or intended to be created) by this Security Agreement or the priority of it; or
 - (ii) whilst this Security Agreement is enforceable, to facilitate the realisation or enforcement of any Security Asset or the exercise any of the rights of any Secured Party in relation to the same.
- (b) The action required under Clause 4.2(a) may include the execution of any Security Interest, assignment, assignation, pledge, standard security or transfer over or of any asset, any notice of this Security or any other document.

5. NEGATIVE PLEDGE AND DISPOSALS

5.1 Negative pledge

Each Chargor undertakes that it will not create or permit to subsist any Security Interest over any Security Asset except as expressly permitted by the Facility Agreements.

5.2 No disposals

Each Chargor undertakes that it will not dispose of (or agree to dispose of) any Security Asset except as expressly permitted by the Facility Agreements.

6. OTHER COVENANTS OF GENERAL APPLICATION

6.1 Enforcement of rights

- (a) Prior to an Event of Default which is continuing, each Chargor shall at its own cost use commercially reasonable endeavours to enforce any rights and institute, continue or defend any proceedings relating to any of the Security Assets.
- (b) Following an Event of Default which is continuing, each Chargor shall at its own cost use its best endeavours to enforce any rights and institute, continue or defend any proceedings relating to any of the Security Assets which the Security Agent may from time to time require.

7. LAND

7.1 Registration at Land Registry

- (a) The Chargors shall do all things reasonably necessary or reasonably requested by the Security Agent to procure registration of this Security against any Land Registry title in England and Wales comprised in the Mortgaged Properties from time to time. In particular, each Chargor shall (or the Chargor's lawyers on its behalf shall) apply to the Chief Land Registrar for a restriction to be entered on each such title in the following terms: "No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the Charge dated [●] in favour of Mount Street Mortgage Servicing Limited referred to in the charges register or their conveyancer".
- (b) No Chargor shall permit any other person to be registered at the Land Registry as proprietor of any of the Mortgaged Properties (or of any interest in any of the Mortgaged Properties).
- (c) No Chargor shall create or permit to arise or subsist in or over any of the Mortgaged Properties any interest which falls within any of the paragraphs of Schedule 3 Land Registration Act 2002 or any interest preserved by the transitional provisions of Schedule 12 Land Registration Act 2002.

7.2 Future acquisitions

- (a) Each Chargor shall notify the Security Agent promptly of any proposal, contract, conveyance, transfer or other disposition for or effecting the acquisition by it or any nominee on its behalf of any rights in any land.
- (b) If a Chargor acquires any rights in any land, it shall at its own cost promptly on request by the Security Agent execute and deliver to the Security Agent a first priority Security Interest in favour of the Security Agent over those rights substantially in the form of Schedule 5 (*Form of Accession Deed*).

8. ACCOUNTS AND DEBTS

8.1 Realisation of Debts

- (a) Each Chargor shall get in and realise its Debts in accordance with the Intercreditor Agreement, the Facility Agreements and, subject to that, in the ordinary course of its business. For the avoidance of doubt, this does not permit the realisation of Debts by means of block discounting, factoring or the like.
- (b) All monies received by or on behalf of a Chargor in respect of its Debts:
 - (i) shall be paid into a bank account of the Chargor, if applicable in accordance with clause 10 (*Bank accounts*) of the Intercreditor Agreement; and
 - (ii) shall until such payment be held on trust for the Security Agent.
- (c) No Chargor shall release, set-off, compound or otherwise deal over, of or with its Debts otherwise than in accordance with Clause 8.1(a), Clause 8.1(b) or otherwise as expressly permitted by the Debt Documents.

8.2 Time Deposit

If any time deposit matures on any account of a Chargor with any Finance Party at any time, the time deposit shall automatically be renewed for a further period of a duration determined by that Finance Party in its discretion. This is without prejudice to any set-off rights or other rights of the relevant Finance Party in the Debt Documents.

9. THE INVESTMENTS

9.1 Delivery of documents and information

- (a) Each Chargor shall, unless already delivered pursuant to the First English Security Agreement, promptly deliver to the Security Agent (or its nominee) in respect of each of its Investments:
 - (i) any share certificate or other document of title to or representing it;

- (ii) an instrument of transfer or assignment of it in a form specified by the Security Agent, duly executed by each person in whose name it is registered or held (with the name of the transferee or assignee, the consideration and the date left blank); and
- (iii) any other documents (including duly executed waivers of pre-emption and other rights) which the Security Agent may request to enable it (or its nominee) to:
 - (A) obtain legal title to (or otherwise be registered as the owner of) the Investment; or
 - (B) be in a position to exercise any rights under this Security Agreement in respect of it were an Event of Default to occur and be continuing.
- (b) The Security Agent may at any time have any of the Investments registered in its name or in the name of a nominee specified by it acting on its behalf.

9.2 **Income on Investments**

All income received or payable to a Chargor (or received by the Security Agent or its nominee) in relation to that Chargor's Investments after this Security has become enforceable shall be paid to (or, as applicable, retained by) the Security Agent and until that payment is made shall be held on trust for the Security Agent.

9.3 **Voting and other rights**

- (a) Subject to Clause 9.2 and the remainder of this Clause 9.3:
 - (i) each Chargor may exercise all voting and other rights attached to its Investments; and
 - (ii) if any of those rights are exercisable by the Security Agent or its nominee, the relevant Chargor may direct in writing how they are to be exercised.
- (b) No Chargor shall make any nomination, or permit to continue in effect any nomination it may have made, to permit another person to enjoy or exercise any of its rights in relation to any of its Investments (other than to an Obligor).
- (c) If at any time following the occurrence of an Event of Default which is continuing the Security Agent gives notice to the Chargors that this Clause 9.3(c) applies, then from the date of that notice and to the extent specified in it:
 - (i) the Security Agent (or its nominee) may at the Security Agent's discretion (and in the name of the relevant Chargor or otherwise) exercise all voting and other rights attached to the Investments; and
 - (ii) no Chargor shall exercise any of those rights.

9.4 Calls and other obligations

Each Chargor shall duly and promptly pay (or ensure that there are paid) all calls, instalments or other monies which may from time to time become due in respect of any of its Investments, without deduction or set-off.

10. ASSIGNED DOCUMENTS

No Chargor shall waive any rights under, amend, novate, repudiate, rescind or otherwise terminate or permit to be terminated any Assigned Document or any document referred to in Clause 3.8(f) (*Miscellaneous fixed charges*) without the prior written consent of the Security Agent where to do so would be inconsistent with the terms of the Debt Documents.

11. OTHER

In consideration of the Lenders agreeing to amend and restate the HFI Facility Agreement and the HFS Facility Agreement, and enter into the HFS 2 Facility Agreement and any Additional HFS Facility Agreement, each Chargor that is a beneficiary under any trust undertakes to the Security Agent that for so long as any actual or contingent liability is owed by the Transaction Obligors to a Finance Party under any Debt Document, it will not:

- (a) request or require that the relevant trustee of that trust transfer any of the Trust Property to it;
- (b) dissolve the trust created over the Trust Property;
- (c) transfer its beneficial interest in the Trust Property other than as permitted under the Debt Documents;
- (d) require the legal (and beneficial) interest in the Trust Property to be sold (whether pursuant to Section 11(1)(b) of the Trusts of Land and Appointment of Trustees Act 1996 or otherwise) other than as permitted under the Debt Documents; or
- (e) give any direction to the relevant trustee of that trust (or if given, not require compliance with) or to otherwise require them to take any action which the relevant trustee of that trust reasonably believe to be inconsistent with the Debt Documents.

12. ENFORCEMENT – GENERAL PROVISIONS

12.1 Enforcement

- (a) On or at any time after the occurrence of an Event of Default which is continuing, this Security shall become immediately enforceable and the Security Agent or its agent may (without obligation) enforce this Security, and its rights under this Security Agreement, in the manner and on the terms it thinks fit.

- (b) In particular, the Security Agent may without further notice exercise in relation to the Security Assets:
 - (i) the power of sale and all other powers conferred on mortgagees or security holders by the LPA or otherwise by law, in each case as extended or otherwise amended by this Security Agreement;
 - (ii) to the extent that Clause 13 (*Right of appropriation*) applies, the power to appropriate the relevant Security Assets in accordance with Clause 13.2 (*Exercise of right of appropriation*); and
 - (iii) (whether or not it has appointed a Receiver) any or all of the rights which are conferred by this Security Agreement (whether expressly or by implication) on a Receiver.

12.2 LPA provisions

- (a) The Secured Liabilities shall be deemed for the purposes of all powers implied by statute to have become due and payable within the meaning of s101 LPA immediately on the execution of this Security Agreement.
- (b) The Security Agent and any Receiver is entitled to all of the privileges, immunities and other rights conferred on mortgagees and receivers respectively under the LPA.
- (c) s93(1) LPA (restriction on the consolidation of mortgages), s103 LPA (restricting the power of sale), ss105, 107(2), 109(6) and 109(8) LPA (application of proceeds of sale) and s109(1) LPA (restricting the power to appoint a receiver) shall not apply to this Security.

12.3 Protection of third parties

- (a) No purchaser, mortgagee or other person dealing with a Security Enforcement Party shall:
 - (i) be bound to enquire whether its entitlement to exercise any of its rights has arisen or become exercisable or whether any Secured Liabilities remain outstanding; or
 - (ii) be concerned as to the application of any money paid, raised or borrowed or as to the propriety or regularity of any sale by or other dealing with that Security Enforcement Party.
- (b) All of the protection to purchasers contained in ss104 and 107(1) LPA and s42(3) and s55(4) (as applicable) IA shall apply to any person purchasing from or dealing with a Security Enforcement Party as if the Secured Liabilities had become due and the statutory powers of sale and of appointing a Receiver in relation to the Security Assets had arisen on the date of this Security Agreement.

12.4 Delegation

- (a) The Security Agent and (to the extent his or her appointment so permits) a Receiver (the "**Appointor**") may delegate to any person or persons all or any of the rights which are exercisable by it under this Security Agreement. A delegation under this Clause may be made in any manner (including by power of attorney) and on any terms (including power to sub-delegate) which the Appointor may think fit.
- (b) A delegation under Clause 12.4(a) shall not preclude the subsequent exercise of the relevant rights by the Appointor nor preclude the Appointor from making a subsequent delegation of them to another person or from revoking that delegation.
- (c) Neither the Security Agent nor any Receiver shall be liable or responsible to any Chargor for any loss or damage arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.
- (d) For the avoidance of doubt, a Delegate shall have the benefit of any term of this Security Agreement or of the Intercreditor Agreement which expressly confers a right on "Delegates" (as defined in the Intercreditor Agreement).

12.5 No liability

Neither a Security Enforcement Party nor any Administrator shall be liable as a mortgagee or security holder in possession or otherwise to account in relation to all or any part of the Security Assets for any loss on realisation or for any other action, default or omission for which a mortgagee or security holder in possession might but for this Clause 12.5 be liable.

13. RIGHT OF APPROPRIATION

13.1 Application of right of appropriation

This Clause 13 applies to the extent the Security Assets constitute "financial collateral" and this Security Agreement constitutes a "financial collateral arrangement" (within the meaning of the Financial Collateral Arrangements (No. 2) Regulations 2003).

13.2 Exercise of right of appropriation

- (a) If and to the extent that this Clause 13 applies, the Security Agent may, on or at any time following the occurrence of an Event of Default which is continuing, appropriate the Security Assets in or towards discharge of the Secured Liabilities in the order specified in the Intercreditor Agreement.
- (b) If the Security Agent exercises its right of appropriation then it shall for these purposes value:
 - (i) any relevant Specified Account or other bank account at the amount standing to the credit of that account, together with any accrued

interest not credited to the account, at the time of the appropriation;
and

- (ii) any other relevant Security Asset by reference to an independent valuation or other procedure determined by the Security Agent, acting reasonably, at the time of the appropriation.

14. RECEIVERS

14.1 Appointment of Receiver

- (a) Subject to the remainder of this Clause 14.1, the Security Agent may appoint one or (at the same or different times) more persons as a receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) the relevant Chargor or the Company so requests in writing at any time.
- (b) No appointment may be made pursuant to Clause 14.1:
 - (i) solely as a result of the obtaining of, or with a view to obtaining, a moratorium under s1A IA; or
 - (ii) of an administrative receiver if that appointment would contravene s72A IA.
- (c) If at any time two or more persons hold office as Receivers, each of those Receivers shall (subject to the terms of his or her appointment) be entitled to exercise individually all of the rights conferred on Receivers under this Security Agreement to the exclusion of the other or others.

14.2 Remuneration

The Security Agent may fix the remuneration of any Receiver from time to time, without being limited by the maximum rate specified in s109(6) LPA.

14.3 Removal and replacement

The Security Agent may:

- (a) subject to obtaining a court order if required by law, remove any Receiver by written notice; and
- (b) replace (by appointment pursuant to Clause 14.1) any Receiver whose appointment has terminated.

14.4 Agent of the relevant Chargor

- (a) Any Receiver appointed under this Security Agreement whether acting solely or jointly shall be deemed to be the agent of the relevant Chargor and to be in the same position as a receiver appointed under the LPA.
- (b) The relevant Chargor shall be solely responsible for the acts, omissions, defaults, losses and misconduct of any Receiver and for his or her remuneration. The Security Agent shall not be in any way liable or responsible either to the relevant Chargor or to any other person for any Receiver.

15. POWERS OF SECURITY ENFORCEMENT PARTIES

15.1 General

- (a) A Receiver has:
 - (i) all of the rights set out below in this Clause 15;
 - (ii) all of the rights granted by the LPA to any receiver or mortgagor or mortgagee in possession; and
 - (iii) whether or not it is an administrative receiver, all of the rights granted by the IA to any administrative receiver,in each case as such rights are varied and extended by this Security Agreement.
- (b) The Security Agent has after this Security has become enforceable the rights referred to in Clause 15.1(a), whether or not it has appointed a Receiver.
- (c) A Delegate has the rights referred to in Clause 15.1(a) to the extent provided in its, his or her appointment.
- (d) Any reference in this Clause 15 to any Security Assets includes, in the case of a Receiver or Delegate, only those Security Assets over or in respect of which it, he or she has been appointed.
- (e) A Security Enforcement Party may exercise its, his or her rights under this Clause 15 in such manner and on such terms as it, he or she thinks fit.

15.2 Collection, leasing and disposal of Security Assets

- (a) The right to enter into, take possession of, give up possession of, get in and collect any Security Asset.
- (b) The right to grant, vary, renounce, surrender or accept the surrender or renunciation of Leases, easements, servitudes or title conditions or other rights over or in respect of Security Assets on such terms as the Security Enforcement Party may think fit, without the need to comply with ss99 and 100 LPA.

- (c) The right to sell or otherwise dispose of any Security Asset on any terms and for any consideration as the Security Enforcement Party may think fit. This consideration may include cash, debentures, obligations, shares or other security and may be payable in a lump sum or instalments.
- (d) The right to sever any plant, machinery or other fixtures from the premises to which they are attached and the right to dispose of them separately in accordance with Clause 15.2(c).
- (e) The right, in connection with or to facilitate any disposal, to release or discharge, whether or not for any consideration, any Debts comprised in the Security Assets.
- (f) The right to give a valid receipt for any money and execute any discharge, assurance or other document which may be proper or desirable to realise any Security Asset.

15.3 Upkeep of Security Assets

- (a) The right to repair, decorate, furnish, maintain, alter, improve, replace, renew or add to the Security Assets.
- (b) The right to develop any Security Asset and for that purpose to apply for any Authorisations, enter into any documents and carry out any works.
- (c) The right to insure any Security Assets.

15.4 Carrying on business

- (a) The right to carry on any business of any Chargor.
- (b) The right to appoint or dismiss officers, employees, agents, contractors, advisors and others.
- (c) The right to purchase, lease or otherwise acquire any assets.
- (d) The right to borrow or otherwise raise money either unsecured or on the security of the Security Assets (whether ranking in priority to, pari passu with or behind this Security).
- (e) The right to lend money or advance credit to any customer of a Chargor.

15.5 Contracts and proceedings

- (a) The right to perform, repudiate, terminate, amend or enter into any contract or other document relating to any Security Asset.
- (b) The right to bring, prosecute, defend, enforce and discontinue any action, suit, arbitration or other proceedings relating to any Security Assets.

- (c) The right to pursue, settle, arrange, compromise or submit to arbitration any claim, account, dispute or demand relating to, or to make any VAT election in respect of, any Security Asset.

15.6 Other rights

- (a) The right to form a subsidiary of a Chargor and the right to lease, license or transfer any Security Asset to it.
- (b) The right to do any other act or thing which the Security Enforcement Party may consider:
 - (i) desirable or necessary to protect, preserve or realise any Security Asset; or
 - (ii) incidental or conducive to any rights conferred on the Security Enforcement Party under or by virtue of this Security Agreement or by law.
- (c) The right to exercise and do in relation to any Security Asset all the rights and things which the Security Enforcement Party would be capable of exercising or doing if it, he or she were the absolute beneficial owner of that Security Asset.
- (d) The right to use the name of any Chargor to exercise any of the rights referred to in this Clause 15.

16. APPOINTMENT OF ADMINISTRATOR

16.1 Appointment of Administrator

- (a) The Security Agent may without notice appoint any one or more persons to be an administrator of any Chargor pursuant to Schedule B1, Paragraph 14 IA at any time after this Security has become enforceable.
- (b) Clause 16.1(a) shall not apply to any Chargor if Schedule B1, Paragraph 14 IA does not permit an administrator of that Chargor to be appointed.
- (c) Any appointment under Clause 16.1(a) shall be made in the prescribed form by the Security Agent.

16.2 Replacement of an Administrator

The Security Agent may apply to the court for the termination of the appointment of any Administrator and/or the appointment of a replacement for any Administrator whose appointment ends for any reason.

17. APPLICATION OF PROCEEDS OF ENFORCEMENT, ETC

Any monies received by the Security Agent or any Receiver under this Security Agreement after this Security has become enforceable shall be applied in accordance with clause 15 (*Application of proceeds*) of the Intercreditor Agreement; this is

without prejudice to the right of the Security Agent to recover any shortfall from the Chargors.

18. GENERAL SECURITY PROVISIONS

18.1 Continuing security

This Security is, and shall remain in force as, a continuing security for the Secured Liabilities, regardless of any intermediate payment or discharge, unless and until it is released and discharged in writing by the Security Agent.

18.2 Additional security

This Security is in addition to and is not in any way prejudiced by any other guarantee or Security Interest now or subsequently held by or on behalf of any Secured Party.

18.3 Waiver of defences

The obligations of each Chargor under this Security Agreement will not be discharged, impaired or otherwise affected by any act, omission, matter or thing which, but for this Clause 18.3, would reduce, release or prejudice any of its obligations under this Security Agreement, including (whether or not known to it or any Secured Party):

- (a) any time, waiver or consent granted to, or composition with, any Transaction Obligor or any other person;
- (b) the release of any Transaction Obligor or any other person under the terms of any composition or arrangement with any creditor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security Interest over the assets of, any Chargor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any document or any failure to take, or failure to realise the full value of, any Security Interest;
- (d) any supplement, extension, restatement, other amendment or novation or replacement of any Debt Document or any other security or other document, however fundamental that amendment, novation and replacement may be and whether or not more onerous, including any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Debt Document or other Security Interest or other document;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Transaction Obligor or any other person;
- (f) any unenforceability, illegality or invalidity of any of the Secured Liabilities or any other obligation of any person under any Debt Document or any other document or Security Interest; or

- (g) any Insolvency Event in relation to any person.

18.4 Non-competition

Until the Discharge Date, no Chargor shall exercise any rights it may have by reason of its being a party to this Security Agreement or paying (or having any liability to pay) any amount under it:

- (a) to claim any indemnity or contribution from any person;
- (b) to take (by way of subrogation or otherwise) the benefit of any right of any Secured Party; or
- (c) to claim or prove as a creditor of any person in competition with any Secured Party.

Each Chargor shall hold any payment or other benefit received by it contrary to this Clause 18.4 on trust for the Security Agent and promptly pay or transfer the same to the Security Agent for application in accordance with Clause 17 (*Application of proceeds of enforcement, etc*).

18.5 Immediate recourse

Each Chargor waives any right it may have of first requiring any Finance Party to enforce any Security Interest or other right, or claim payment from or proceed against any other person, before claiming from it under this Security Agreement. This waiver applies irrespective of any applicable law and regulation or any provision of any Debt Document to the contrary.

18.6 Redemption of prior Security Interests

The Security Agent may at any time after this Security Agreement has become enforceable:

- (a) redeem, or procure the transfer to itself of, any prior Security Interest over any Security Assets; or
- (b) settle and pass the accounts of the holder of any prior Security Interest. Any accounts so settled and passed shall in the absence of manifest error be conclusive and binding on the relevant Chargor.

18.7 Subsequent Security Interests

- (a) At any time following:
 - (i) the receipt by any Finance Party of notice (either actual or constructive) of any subsequent Security Interest affecting any Security Assets;
 - (ii) an Insolvency Event occurring in relation to any Chargor; or

- (iii) any disposal of any Security Assets in breach of Clause 5.2 (*No disposals*),

any Finance Party may open a new account or accounts in the name of the relevant Chargor (whether or not it permits any existing account to continue). If a Finance Party does not open such a new account, it shall nevertheless be deemed to have done so at the time of receipt of the notice, the commencement of the Insolvency Event or the disposal.

- (b) From that time all payments received by the Finance Party for the account of the relevant Chargor shall be credited or treated as having been credited to the new account (or deemed new account) and shall not operate to reduce the amount secured by this Security at the time of receipt of the notice, the commencement of the Insolvency Event or the disposal.

19. POWER OF ATTORNEY

Each Chargor irrevocably and by way of security appoints each Security Enforcement Party severally to be its attorney, in its name or otherwise, on its behalf and as its act and deed to execute, deliver and perfect any document and do any other act or thing which may be required or which the attorney may consider desirable:

- (a) prior to an Event of Default which is continuing, to carry out any obligation imposed on that Chargor by this Security Agreement if such Chargor has failed to carry out such obligation within 10 Business Days of its receipt of a request by the Security Agent;
- (b) following an Event of Default which is continuing, to carry out any obligation imposed on that Chargor by this Security Agreement; or
- (c) in the exercise of any rights conferred on any Security Enforcement Party by this Security Agreement or by applicable law and regulation.

Each Chargor undertakes to ratify and confirm all acts and things done by an attorney in the exercise or purported exercise of this power of attorney.

20. RELEASE OF SECURITY

20.1 Definitions relating to release of this Security

- (a) In this Security Agreement, "**Discharge Date**" means the date on which the Security Agent (with any necessary approval from the Agent) determines that:
 - (i) all of the Secured Liabilities have been unconditionally and irrevocably paid or discharged in full; and
 - (ii) no further Secured Liabilities are capable of arising or being outstanding.

For this purpose, a Secured Liability will not be considered to have been irrevocably paid or discharged if the Security Agent, acting reasonably, considers that any payment made in respect of it is capable of being avoided.

- (b) In this Clause 20:
 - (i) **"avoided"** means avoided, restored or adjusted in whole or part under any law relating to insolvency (and **"avoidance"** shall be construed accordingly); and
 - (ii) **"settlement"** means a release, settlement, discharge, re-assignment or arrangement.

20.2 Release of this Security

- (a) Clauses 5 (*Negative pledge and disposals*) to 11 (*Other*) shall cease to apply on the Discharge Date
- (b) If any Chargor so requests on or following the Discharge Date, the Security Agent shall as soon as reasonably practicable, at the cost of the Chargor, release and discharge this Security and re-assign the assets assigned to the Security Agent under this Security Agreement without recourse, representation or warranty and subject to the rights of any person having prior rights over those assets.
- (c) Any settlement made by the Security Agent on the faith of any assurance, security or payment shall be conditional on that assurance, security or payment not being avoided.
- (d) If any avoidance occurs as referred to in Clause 20.2(c) (including by reason of a concession or compromise referred to in Clause 20.2(e)), then the settlement given by the Security Agent shall have no effect and shall not prejudice the right of the Security Agent to enforce this Security in respect of the Secured Liabilities. As between the Chargors and the Security Agent, this Security shall (notwithstanding the settlement) be deemed to have remained at all times in effect and held by the Security Agent as security for the Secured Liabilities.
- (e) Any Finance Party may concede or compromise any claim that an assurance, security or payment is liable to avoidance.

21. CHANGES TO THE PARTIES

21.1 Accession of Additional Chargors

- (a) If the Company and the Security Agent so agree, a person may accede to this Security Agreement as an Additional Chargor by delivering to the Security Agent an Accession Deed duly executed by the Additional Chargor and the Company.
- (b) The accession shall take effect upon the Security Agent executing the Accession Deed delivered pursuant to Clause 21.1(a). The Additional Chargor shall from then assume the same obligations and become entitled to the same rights as if it had been an original Party as a Chargor.

22. SECURITY AGENT PROVISIONS

- (a) The Security Agent executes this Security Agreement in the exercise of its rights, powers and authority conferred and vested in it under the Intercreditor Agreement and any other Debt Document for and on behalf of the Secured Parties for whom it acts. It will exercise its powers, rights, duties and authority under this Security Agreement in the manner provided for in the Intercreditor Agreement and, in so acting, it shall have the protections, immunities, limitations of liability, rights, powers, authorisations, indemnities and benefits conferred on it under and by the Intercreditor Agreement and the other Debt Documents.
- (b) The Security Agent shall not owe any fiduciary duties to any party to this Security Agreement or any of their directors, employees, agents or affiliates.
- (c) Notwithstanding any other provision of this Security Agreement, in acting under and in accordance with this Security Agreement, the Security Agent is entitled to seek instructions from the relevant Secured Parties in accordance with the provisions of the Intercreditor Agreement at any time, and where it so acts or refrains from acting on the instructions of a Secured Party or Secured Parties entitled to give it instructions, the Security Agent shall not incur any liability to any person for so acting or refraining from acting.

23. PROVISIONS OF THE INTERCREDITOR AGREEMENT AND THE FACILITY AGREEMENTS

Any provision of any of the Intercreditor Agreement or the Facility Agreements which is expressed to apply to the Debt Documents or the Security Documents shall, except if and to the extent there is a provision in this Security Agreement covering the same subject matter, apply to this Security Agreement as if set out in full here, as if each Chargor were an Obligor and with such other changes as are appropriate to fit this context.

24. GOVERNING LAW

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

25. ENFORCEMENT

25.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Security Agreement (including a dispute relating to the existence, validity or termination of this Security Agreement or any non-contractual obligations arising out of or in connection with this Security Agreement) (a "**Dispute**").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

25.2 Benefit

Clause 25.1 is for the benefit of the Security Agent and the other Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.


EXECUTION:

The parties have shown their acceptance of the terms of this Security Agreement by executing it, in the case of each Chargor as a deed, below.


EXECUTION of the Security Agreement:

Chargors


SIGNED as a deed by Timothy N M Daniels,
Director, duly authorised for and on behalf)
of **LSREF IV OAK 1 LIMITED** in the)
presence of:)

Witness's signature: 


Witness's name ROBERT SCOTT
(in capitals):

Witness's address: 

SIGNED as a deed by Timothy N M Daniels,
Director, duly authorised for and on behalf)
of **LSREF IV OAK 2 LIMITED** in the)
presence of:)

Witness's signature: 

Witness's name ROBERT SCOTT
(in capitals):

Witness's address: 

SIGNED as a deed by _____,)
Director, duly authorised for and on behalf)
of **BNP PARIBAS JERSEY TRUST**)
CORPORATION LIMITED acting in its)
capacity as trustee of **QUERCUS**)
HEALTHCARE PROPERTY UNIT)
TRUST in the presence of:)

Witness's signature:

Witness's name
(in capitals):

Witness's address:

EXECUTION of the Security Agreement:

Chargors

SIGNED as a deed by _____,)
Director, duly authorised for and on behalf)
of **LSREF IV OAK 1 LIMITED** in the)
presence of:)

Witness's signature:

Witness's name
(in capitals):

Witness's address:

SIGNED as a deed by _____,)
Director, duly authorised for and on behalf)
of **LSREF IV OAK 2 LIMITED** in the)
presence of:)

Witness's signature:

Witness's name
(in capitals):

Witness's address:


Kim Deveney
SIGNED as a deed by _____,)
Director, duly authorised for and on behalf)
of **BNP PARIBAS JERSEY TRUST**)
CORPORATION LIMITED acting in its)
capacity as trustee of **QUERCUS**)
HEALTHCARE PROPERTY UNIT)
TRUST in the presence of:)



Kim Deveney



BRIAN KENYON

Witness's signature: 

Witness's name **Aaron Brown**
(in capitals):

Witness's address:



SIGNED as a deed by ADAM CAMPBELL)
Director, duly authorised for and on behalf)
of QUERCUS NURSING HOMES 2001 (A))
LIMITED in the presence of:

[Redacted]

Witness's signature:

[Redacted]

Witness's name
(in capitals):

STUART FOWKES

Witness's address:

[Redacted]

SIGNED as a deed by ADAM CAMPBELL)
Director, duly authorised for and on behalf)
of QUERCUS NURSING HOMES 2001 (B))
LIMITED in the presence of:

[Redacted]

Witness's signature:

[Redacted]

Witness's name
(in capitals):

STUART FOWKES

Witness's address:

[Redacted]

SIGNED as a deed by ADAM CAMPBELL)
Director, duly authorised for and on behalf)
of QUERCUS (NURSING HOMES))
LIMITED in the presence of:

[Redacted]

Witness's signature:

[Redacted]

Witness's name
(in capitals):

STUART FOWKES

Witness's address:

[Redacted]

SIGNED as a deed by Adam Campbell,)
Director, duly authorised for and on behalf)
of QUERCUS (NURSING HOMES NO.2))
LIMITED in the presence of:

Witness's signature: [REDACTED]

Witness's name (in capitals): STUART FOWKES

Witness's address: [REDACTED]

SIGNED as a deed by Adam Campbell,)
Director, duly authorised for and on behalf)
of QUERCUS NURSING HOMES 2010 (C))
LIMITED in the presence of:

Witness's signature: [REDACTED]

Witness's name (in capitals): STUART FOWKES

Witness's address: [REDACTED]

SIGNED as a deed by Adam Campbell)
Director, duly authorised for and on behalf)
of QUERCUS NURSING HOMES 2010 (D))
LIMITED in the presence of;

Witness's signature:

Witness's name
(in capitals):

STUART FOWLES

Witness's address:

Security Agent

SIGNED by **Stephen Northage**, as a)
duly authorised signatory for and on behalf)
of **MOUNT STREET MORTGAGE**)
SERVICING LIMITED in the presence)
of:)



Witness's signature:



Witness's name
(in capitals):

AMY JANDYS

Witness's address:



**SCHEDULE 1
THE CHARGORS**

Full corporate name of Chargor	Jurisdiction of incorporation	Registration number	Registered office/principal place of business
LSREF IV Oak 1 Limited	Jersey	122233	44 Esplanade, St. Helier, Jersey JE4 9WG
LSREF IV Oak 2 Limited	Jersey	122234	44 Esplanade, St. Helier, Jersey JE4 9WG
BNP Paribas Jersey Trust Corporation Limited acting in their capacity as trustee of the Quercus Healthcare Property Unit Trust	Jersey	17296	House Anley Street St Helier Jersey JE2 3QE
Quercus Nursing Homes 2001 (A) Limited	England and Wales	04181617	Third Floor, One London Square, Cross Lanes, Guildford, Surrey GU1 1LN
Quercus Nursing Homes 2001 (B) Limited	England and Wales	04181611	Third Floor, One London Square, Cross Lanes, Guildford, Surrey GU1 1LN
Quercus (Nursing Homes) Limited	England and Wales	03672911	Third Floor, One London Square, Cross Lanes, Guildford, Surrey GU1 1LN
Quercus (Nursing Homes No.2) Limited	England and Wales	03852950	Third Floor, One London Square, Cross Lanes, Guildford, Surrey GU1 1LN
Quercus Nursing Homes 2010 (C) Limited	England and Wales	07193610	Third Floor, One London Square, Cross Lanes, Guildford, Surrey GU1 1LN
Quercus Nursing Homes 2010 (D) Limited	England and Wales	07193618	Third Floor, One London Square, Cross Lanes, Guildford, Surrey GU1 1LN

SCHEDULE 2 PROPERTIES

Part 1 Registered land

(Freehold (including commonhold) or leasehold property (if any) in England and Wales of which any Chargor is registered as the proprietor at Land Registry)

	Owner	Property	Title Number(s)	Freehold / Leasehold
1.	Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust	Acacia House, Ashford Road, Tenterden, Kent TN30 6QA	K382173 K69787	Freehold
2.	Legal Owners: Quercus Nursing Homes 2010 (C) Limited and Quercus Nursing Homes 2010 (D) Limited Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust	Apple Court, 76 Church Street, Warrington, WA1 2TH	CH399498 CH327942 CH422713	Freehold
3.	Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust	Arkle Lodge, Nursing Home Sprents Lane, Overton, Basingstoke, Hampshire RG25 3HX (Beech Tree)	HP385844	Freehold
4.	Legal Owners: Quercus Nursing Homes 2010 (C) Limited and Quercus Nursing Homes 2010 (D) Limited Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust	Ashgrove and Ashleigh Court, Chester Road, Gresford, Nr Wrexham LL12 8PP	WA753138	Freehold

	Owner	Property	Title Number(s)	Freehold / Leasehold
5.	<p>Legal Owners: Quercus (Nursing Homes) Limited and Quercus (Nursing Homes No 2) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Ashurst Park Nursing Home, Fordcombe, Tunbridge Wells, Kent TN3 0RD	K610202	Freehold
6.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Dinnington Hall, Dinnington and known as Athorpe Lodge & The Glades, Falcon Way, Dinnington, Sheffield, South Yorkshire S25 2NY	SYK116965	Freehold
7.	<p>Legal Owners: Quercus (Nursing Homes) Limited and Quercus (Nursing Homes No.2) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Beechcare Nursing Home and Peter Gidney Neurological Centre, Darenth Road South, Darenth, Kent DA2 7QT	K754549	Freehold
8.	<p>Legal Owners: Quercus Nursing Homes 2010 (C) Limited and Quercus Nursing Homes 2010 (D) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Belvoir Vale Care Home, Melton Road, Widmerpool, Keyworth, Nottingham NG12 5QL	NT321043 NT229398	Freehold
9.	<p>Legal Owners: Quercus Nursing Homes 2010 (C) Limited and Quercus Nursing Homes 2010 (D) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Bentley Court, 29 Nordley Road, Wednesfield, Wolverhampton WV11 1PX	WM954225	Leasehold

	Owner	Property	Title Number(s)	Freehold / Leasehold
10.	<p>Legal Owners: Quercus (Nursing Homes) Limited and Quercus (Nursing Homes No.2) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Berwick Nursing Home, North Road, Berwick upon Tweed, Northumberland TD15 1PL	ND60893	Freehold
11.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Land and buildings known as Bessingby Hall, Bessingby, East Yorks YO16 4UH	HS45350	Freehold
12.	<p>Legal Owners: Quercus (Nursing Homes) Limited and Quercus (Nursing Homes No.2) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Bickleigh Down, Woolwell Road, Woolwell, Plymouth, Devon PL6 7JW	DN237139	Freehold
13.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Brambling House and Lodge, being 46 and 48 Eythorne Road, Shepherdswell, Kent CT15 7PG	K368711 K317606	Freehold
14.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Brooklyn House Nursing Home, Queen's Road, Attleborough NR17 2AG and Land adjoining Brooklyn House Nursing Home, Queen's Road Attleborough	NK122714 NK372031	Freehold

	Owner	Property	Title Number(s)	Freehold / Leasehold
15.	<p>Legal Owners: Quercus Nursing Homes 2010 (C) Limited and Quercus Nursing Homes 2010 (D) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Broughton Hall Nursing Home, Gatewen Road, New Broughton, Wrexham LL11 6YA	WA667209 WA728854 WA474803	Freehold
16.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Bywater Hall & Lodge, 1 Leeds Road, Allerton Bywater, Castleford WF10 2DY	WYK510083	Freehold
17.	<p>Legal Owners: Quercus (Nursing Homes) Limited and Quercus (Nursing Homes No. 2) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Cherry Trees, Cherry's Road, Cundy Cross, Barnsley, South Yorkshire S71 5QU	SYK344991 SYK154952 SYK354662	Freehold
18.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Creedy House, Nether Avenue, New Romney, Kent TN28 8NB	K841011 (and part unregistered)	Freehold
19.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Dearnevale, Residential Nursing Home Elizabeth Street, Grimethorpe, Barnsley, South Yorkshire S72 7HZ	SYK159303	Freehold

	Owner	Property	Title Number(s)	Freehold / Leasehold
20.	<p>Legal Owners: Quercus Nursing Homes 2010 (C) Limited and Quercus Nursing Homes 2010 (D) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Delves Court, 2 Walstead Road, Walsall WS5 4NZ	WM683918	Freehold
21.	<p>Legal Owners: Quercus Nursing Homes 2010 (C) Limited and Quercus Nursing Homes 2010 (D) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Fairwinds and Ferham House, Kimberworth Road, Rotherham S61 1AJ	SYK472916	Freehold
22.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Figham House, Figham Road, Beverley, East Yorkshire HU17 0PH	HS171206	Freehold
23.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Foresters Lodge, 46 St. John's Avenue, Bridlington, East Yorkshire YO16 4NL	HS92565 HS236007 YEA73819	Freehold
24.	<p>Legal Owners: Quercus Nursing Homes 2010 (C) Limited and Quercus Nursing Homes 2010 (D) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Greenside Court Nursing Home, Greasbrough, Rotherham S61 4PT	SYK437768	Freehold

	Owner	Property	Title Number(s)	Freehold / Leasehold
25.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Grosvenor Park Care Home, Burnside Road, Darlington, County Durham, DL1 4SU	DU263963	Freehold
26.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Guysfield Residential Care Home, Willian Road, Letchworth, Hertfordshire, SG6 2AB	HD221788 HD365003	Freehold
27.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Heath Farm, Heath Road, Scopwick, Ashby De La Launde, Lincoln LN4 3JD	LL115664 LL120619	Freehold
28.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Highfields Care Home, Station Road, Edingley, Newark, Nottinghamshire NG22 8BX	NT282871	Freehold
29.	<p>Legal Owners: Quercus (Nursing Homes) Limited and Quercus (Nursing Homes No. 2) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Hilltop Manor Nursing Home, High Lane, Chell, Stoke-on-Trent Staffordshire, ST6 6JN	SF349920	Freehold

	Owner	Property	Title Number(s)	Freehold / Leasehold
30.	Legal Owners: Quercus (Nursing Homes) Limited and Quercus (Nursing Homes No.2) Limited Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust	Lashbrook House, Shiplake, Henley-on-Thames	ON137026	Freehold
31.	Legal Owners: Quercus (Nursing Homes) Limited and Quercus (Nursing Homes No.2) Limited Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust	Maple Lodge Nursing Home, Scotton Gardens, Scotton, Catterick Garrison, North Yorkshire DL9 4LJ	NYK67936	Freehold
32.	Legal Owners: Quercus (Nursing Homes) Limited and Quercus (Nursing Homes No.2) Limited Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust	Meadowbrook Nursing Home and Meadowbrook Neurological Centre, Tympath Lane, Gobowen, Oswestry, Shropshire, SY10 7HD	SL83650	Freehold
33.	Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust	Hillside and Mellish House, King's Hill, Great Cornard CO10 0EH and Land on the eastern side of 10 King's Meadow, Great Cornard and Land to the west of Kingshill, Great Cornard. Sudbury	SK214156 SK228594 SK227592	Freehold

	Owner	Property	Title Number(s)	Freehold / Leasehold
34.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Land known as Oak Lodge Nursing Home, Lordsleaze Lane, Chard TA20 2HN	ST75542	Freehold
35.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Ormesby Grange Care Home, Ormesby Road, Middlesbrough TS3 4FF	CE185286	Freehold
36.	<p>Legal Owners: Quercus (Nursing Homes) Limited and Quercus (Nursing Homes No 2) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Pine Meadows Nursing Home, Park Road, Leek, Staffordshire ST13 8XP	SF366758	Freehold
37.	<p>Legal Owners: Quercus Nursing Homes 2010 (C) Limited and Quercus Nursing Homes 2010 (D) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Plas Rhosnesni, Cefn Road, Wrexham LL13 9NH	WA802852	Freehold
38.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Priestley Care Centre, Market Street, Birstall, Batley, West Yorkshire WF17 9EN	WYK706674	Freehold

	Owner	Property	Title Number(s)	Freehold / Leasehold
39.	<p>Legal Owners: Quercus (Nursing Homes) Limited and Quercus (Nursing Homes No 2) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Randolph House, Ferry Road West, Scunthorpe, Lincolnshire DN15 8EA	HS174511	Freehold
40.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Riverside View Care Home, Hutton Avenue, Darlington, County Durham DL1 2AQ	DU258243	Freehold
41.	<p>Legal Owners: Quercus (Nursing Homes) Limited and Quercus (Nursing Homes No 2) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Rosedale Manor Nursing Home and Crewe Neurological Care Centre, Sherbourne Road, Crewe, Cheshire, CW1 4LB	CH391751	Freehold
42.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Sanford House, Danesfort Drive, Swanton Road, Dereham	NK200336	Freehold
43.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Scotia Heights, (east side of) Scotia Road, Burslem, Stoke on Trent, Staffordshire ST6 4HA	SF442473	Freehold

	Owner	Property	Title Number(s)	Freehold / Leasehold
44.	Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust	Sharmers Fields House, Fosse Way, Radford Semele, Leamington Spa, Warwickshire, CV31 1XH	WK351498	Freehold
45.	Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust	Land and Building known as Southlands, 15 Hobman Lane, Hutton, Cranswick, Driffield, East Yorkshire YO25 9PE	YEA58588	Freehold
46.	Legal Owners: Quercus (Nursing Homes) Limited and Quercus (Nursing Homes No 2) Limited Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust	Springfield Care Centre, 33 Springfield Road, Elburton, Plymouth, Devon, PL9 8EJ	DN56894	Freehold
47.	Legal Owners: Quercus Nursing Homes 2010 (C) Limited and Quercus Nursing Homes 2010 (D) Limited Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust	Springfield Park Nursing Home, Springfield Park, Rochdale OL11 4RE	GM843865 GM492468	Freehold
48.	Legal Owners: Quercus (Nursing Homes) Limited and Quercus (Nursing Homes No. 2) Limited Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust	The Elms Nursing Home, Elm Drive, Louth, Lincolnshire LN11 0DE	LL156072	Freehold

	Owner	Property	Title Number(s)	Freehold / Leasehold
49.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	The Elms, Lowgate, Sutton, near Hull, East Yorkshire HU7 4US	HS126030	Freehold
50.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	The Grange Residential Home, Whinbush Way, Darlington, County Durham, DL1 3PT	DU85172	Freehold
51.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	The Hawthornes, Mill Lane, Birkenshaw BD11 2AH	WYK743654	Leasehold
52.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	The Lawns Residential Care Home, Ridsdale Street, Darlington, County Durham, DL1 4EG	DU317561	Freehold
53.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	The Limes Residential Home, Scarborough Road, Driffield, East Yorkshire YO25 5DT	YEA3100	Freehold

	Owner	Property	Title Number(s)	Freehold / Leasehold
54.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	The Lodge Care Home, Farnham Road, South Shields, Tyne and Wear NE34 0JR	TY418675 TY134276 TY399440	Freehold
55.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	The Meadows Care Home, New Road, Bolden Colliery NE35 9DR	TY383734	Freehold
56.	<p>Legal Owners: Quercus (Nursing Homes) Limited and Quercus (Nursing Homes No. 2) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	The Mount Nursing Home, School Hill, Wargrave, Reading, Berkshire RG10 8DY	BK224086	Freehold
57.	<p>Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Sycamores Care Home, Jacobs Well Lane, Wakefield WF1 3PB	WYK761671	Freehold
58.	<p>Legal Owners: Quercus Nursing Homes 2010 (C) Limited and Quercus Nursing Homes 2010 (D) Limited</p> <p>Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust</p>	Westwood Court Nursing Home, Well Street, Winsford, Cheshire CW7 1HZ	CH235636	Freehold

	Owner	Property	Title Number(s)	Freehold / Leasehold
59.	Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust	Willowbeck Care Home, as Hollywell Road, Wincobank, Sheffield S4 8AR	SYK351154	Freehold
60.	Legal Owners: Quercus Nursing Homes 2001 (A) Limited and Quercus Nursing Homes 2001 (B) Limited Beneficial Owner: BNP Paribas Jersey Trust Corporation Limited as trustee of Quercus Healthcare Property Unit Trust	York House, Old Bank Road, Dewsbury, West Yorkshire WF12 7AH	WYK761660	Freehold

Part 2
Unregistered land

(Freehold or leasehold property (if any) in England and Wales title to which is not registered at Land Registry of which any Chargor is the owner)

1. The part of unregistered land at Creedy House, Nether Avenue, New Romney, Kent TN28 8NB

SCHEDULE 3
SPECIFIED ASSETS

Part 1
Specified Accounts

The Deposit Account held in the name of the Company.

The Oak Debt Service Account held in the name of the Company.

The Cash Trap Account held in the name of the Company.

The Cure Account held in the name of the Company.

The Leyton Account held in the name of the Company.

Part 2
Other Bank Accounts

Each General Account held in the name of the Company.

The Capex Reserve Account held in the name of the Company.

Part 3
Specified Intellectual Property

None at the date of this Security Agreement.

Part 4
Specified Investments

Name of Shareholder	Name of Company in which shares are held	Class of shares held	Number of shares or units held / percentage of shares or units held
BNP Paribas Jersey Trust Corporation Limited acting in their capacity as trustee of the Quercus Healthcare Property Unit Trust	Quercus Nursing Homes 2001 (A) Limited	Ordinary	100%
	Quercus Nursing Homes 2001 (B) Limited	Ordinary	100%
	Quercus (Nursing Homes) Limited	Ordinary	100%
	Quercus (Nursing Homes No.2) Limited	Ordinary	100%
	Quercus Nursing Homes 2010 (C) Limited	Ordinary	100%
	Quercus Nursing Homes 2010 (D) Limited	Ordinary	100%
	Quercus Healthcare Property Partnership	N/A	318,628,111
LSREF IV Oak 1 Limited	Quercus (General Partner) Limited	Ordinary A shares	100%
		Ordinary B shares	100%

Part 5
Specified Insurance

Insurer	Policy	Policy Number
Aviva Insurance Limited	Property damage/business interruption/public and products liability	PM100148CHC
ACE European Group Limited	Terrorism	DEFRIA15468

SCHEDULE 4
FORM OF NOTICES OF SECURITY

Part 1
Notice of assignment of Tenant Assigned Documents

[On [relevant] Chargor's notepaper]

To: *[Name and address of tenant or guarantor]*

[Date]

Dear Sirs

[Name and date of Lease]

We refer to a lease of [●] dated [●] between (1) [●] and (2) [●] (the "**Lease**").

We give you notice that by a Security Agreement (the "**Security Agreement**") dated [●] 20[●] and entered into by us in favour of *[Name of Security Agent]* (as Security Agent, as defined in the Security Agreement), we have assigned to the Security Agent all of our rights in, to, under, in respect of or derived from:

- (i) the Lease including the right to receive any rental and other payments due under the Lease; and
- [(ii) the tenant facility agreement dated [●] between (1) [●] and (2) [●] (the "**Tenant Facility Agreement**")]; and
- (iii) the tenant security agreement dated [●] between (1) [●] and (2) [●] (the "**Tenant Security Agreement**"),]

(together the "**Tenant Assigned Documents**").

Please note the following:

- (a) we shall at all times remain solely liable to you for the performance of all of the obligations assumed by us under or in respect of the [Lease][Tenant Assigned Documents];
- (b) we irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary) to pay any monies payable by you to us under the [Lease][Tenant Assigned Documents] to the bank account which the Security Agent may from time to time specify in writing;
- (c) all of the powers, discretions, remedies and other rights which would, but for the Security Agreement, be vested in us under and in respect of the [Lease][Tenant Assigned Documents] are exercisable by the Security Agent;
- (d) we have agreed not to waive any rights under, amend, novate, repudiate, rescind, forfeit, determine or agree to the forfeiture, determination or surrender of the

[Lease][Tenant Assigned Documents] without the prior written consent of the Security Agent; and

(e) we agree that:

- (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Security Agent's prior written consent; and
- (ii) you are authorised to disclose any information in relation to the [Lease][Tenant Assigned Documents] to the Security Agent at the Security Agent's request.

Please acknowledge receipt of this notice, and confirm your agreement to it, by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent, at [●] marked for the attention of [●].

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

Yours faithfully

.....
[Name of [relevant] Chargor]
By: *[Name of signatory]*

[On copy letter only:]

To: ***Security Agent***

We acknowledge receipt of a notice dated [●] addressed to us by *[Name of [relevant] Chargor]* (the "**Chargor**") regarding a lease of [●] dated [●] between (1) [●] and (2) [●] (the "**Lease**").

We confirm that:

- (a) we consent to the assignment of the [Lease][Tenant Assigned Documents] and will comply with the terms of that notice;
- (b) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, any rights of the Chargor in, to, under, in respect of or derived from the [Lease][Tenant Assigned Documents];
- (c) if the Chargor is in breach of any of its obligations, express or implied, under the [Lease][Tenant Assigned Documents] or if any event occurs which would permit us to terminate, cancel or surrender the [Lease][Tenant Assigned Documents] we will:
 - (i) immediately on becoming aware of it, give you written notice of that breach; and
 - (ii) accept as an adequate remedy for that breach, performance by you of those obligations within 30 days of that notice;
- (d) we confirm that neither a waiver of any of the Chargor's rights under, in, to, in respect of or derived from the [Lease][Tenant Assigned Documents] nor an amendment, novation, determination, acceptance of surrender, forfeiture, rescission or other termination by the Chargor of the [Lease][Tenant Assigned Documents] shall be effective without your written consent; and
- (e) we confirm that we shall not exercise any right of combination, consolidation or set-off which we may have in respect of any debt owed to us by the Chargor and we shall send you copies of all statements, orders and notices given by us relating to that debt.

.....
[Name of other party]
By: *[Name of signatory]*

Dated:

Part 2
Notice of assignment of Assigned Document

[On relevant Chargor's notepaper]

To: *[Name and address of other party]*

[Date]

Dear Sirs

[Name and date of Assigned Document]

We refer to an agreement dated [●] 20[●] between us and you (as amended or novated from time to time, the "Assigned Document").

We give you notice that by a Security Agreement (the "Security Agreement") dated [●] 20[●] and entered into by us in favour of *[Name of Security Agent]* (as Security Agent, as defined in the Security Agreement), we have assigned to the Security Agent all of our rights in, to, under, in respect of or derived from the Assigned Document, including the right to receive any payments due under the Assigned Document.

Please note the following:

- (a) we shall at all times remain solely liable to you for the performance of all of the obligations assumed by us under or in respect of the Assigned Document, and you should continue to give notices under the Assigned Document to us, unless and until you receive notice from the Security Agent to the contrary stating that the security created by the Security Agreement has become enforceable. In this event, all the rights, power and discretions will be exercisable by, and notices must be given to, the Security Agent or as it directs;
- (b) we irrevocably and unconditionally instruct and authorise you, following the Security Agent notifying you that the security created by the Security Agreement has become enforceable and despite any previous instructions which we may have given to the contrary, to pay any monies payable by you to us under the Assigned Document to such bank account as the Security Agent may from time to time specify in writing;
- (c) following the Security Agent notifying you that the security created by the Security Agreement has become enforceable, all of the powers, discretions, remedies and other rights which would, but for the Security Agreement, be vested in us under and in respect of the Assigned Document are exercisable by the Security Agent;
- (d) we have agreed not to waive any rights under, amend, novate, repudiate, rescind or otherwise terminate or permit to be terminated the Assigned Document without the prior written consent of the Security Agent or as permitted by the Debt Documents (as defined in the Security Agreement);
- (e) we agree that:

- (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Security Agent's prior written consent; and
- (ii) you are authorised to disclose any information in relation to the Assigned Document to the Security Agent at the Security Agent's request following the Security Agent notifying you that the security created by the Security Agreement has become enforceable.

Please acknowledge receipt of this notice, and confirm your agreement to it, by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent, at [●] marked for the attention of [●].

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

Yours faithfully

.....
[Name of relevant Chargor]
By: *[Name of signatory]*

[On copy letter only:]

To: ***Security Agent***

We acknowledge receipt of a notice dated [●] 20[●] addressed to us by [*Name of relevant Chargor*] (the "**Chargor**") regarding an agreement dated [●] 20[●] between you and us (as amended or novated from time to time, the "**Assigned Document**").

We confirm that:

- (a) we consent to the assignment of the Assigned Document and will comply with the terms of that notice; and
- (b) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, any rights of the Chargor in, to, under, in respect of or derived from the Assigned Document.

.....
[*Name of other party*]

By: [*Name of signatory*]

Dated:

Part 3
Notice of assignment of Insurance

[On relevant Chargor's notepaper]

To: *[Name and address of insurer]*

[Date]

Dear Sirs

Policy number [●]

We give you notice that by a Security Agreement (the "**Security Agreement**") dated [●] 20[●] and entered into by us in favour of *[Name of Security Agent]* (as Security Agent, as defined in the Security Agreement), we have assigned all our rights in, to, under, in respect of or derived from the insurance policy, brief details of which are set out below (the "**Policy**"), and all monies which may be payable to or received by us under it.

Please note the following:

- (a) we will remain liable under the Policy to perform all the obligations assumed by us under the Policy;
- (b) we will remain entitled to exercise all of our rights, powers and discretions under the Policy, and you should continue to give notices under the Policy to us, unless and until you receive notice from the Security Agent to the contrary that the security created by the Security Agreement has become enforceable. In this event, all the rights, powers, discretions, remedies and other rights which would, but for the Security Agreement, be vested in us under and in respect of the Policy are exercisable by the Security Agent;
- (c) we irrevocably and unconditionally instruct and authorise you that, following the Security Agent providing notice to you that the security created by the Security Agreement has become enforceable, and despite any previous instruction we may have given to the contrary, to pay all monies payable by you to us under the Policy, including the proceeds of all claims, to such bank account as the Security Agent may from time to time specify in writing;
- (d) we agree that:
 - (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Security Agent's prior written consent; and
 - (ii) you are authorised to disclose any information in relation to the Policy to the Security Agent at the Security Agent's request.

Please acknowledge receipt of this notice. and confirm your agreement to it, by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent, at [●] marked for the attention of [●].

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

Yours faithfully

.....
[Name of relevant Chargor]
By: *[Name of signatory]*

Details of Policy

Name of insured: [•]

Nature of policy: [•]

Policy number: [•]

Expiry date: [•]

[On copy letter only:]

To: ***Security Agent***

We acknowledge receipt of a notice dated [●] 20[●] addressed to us by [*Name of relevant Chargor*] (the "**Chargor**") regarding the Policy (as defined in that notice).

We confirm that:

- (a) we consent to the assignment of the Policy and will comply with the terms of that notice; and
- (b) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, any rights of the Chargor in, to, under, in respect of or derived from the Policy.

.....
[*Name of insurer*]

By: [*Name of signatory*]

Dated:

Part 4
Notice of charge of Specified Accounts

[On relevant Chargor's notepaper]

To: *[Name and address of other bank]*

[Date]

Dear Sirs

We hereby give you notice that by a Security Agreement (the "**Security Agreement**") dated [●] 20[●] and entered into by us in favour of *[Name of Security Agent]* (the "**Security Agent**") we have charged all our rights in, to, under, in respect of or derived from any credit balances on the Accounts listed below (the "**Accounts**") and the indebtedness represented by the Accounts:

[Insert account details]

and we confirm that we have not granted, as at the date of this notice, any other third party rights, title or interest in the Accounts.

We irrevocably and unconditionally instruct and authorise you with immediate effect to:

1. disclose to the Security Agent and/or the Agent any information relating to the Accounts requested from you by the Security Agent and/or the Agent;
2. hold all monies standing to the credit of the Accounts to the order of the Security Agent;
3. comply with the terms of any written notice or instructions relating to the Accounts received by you from the Security Agent and/or the Agent; and
4. pay or release any sum standing to the credit of the Accounts in accordance with the written notice or instructions received by you from the Security Agent and/or the Agent.

We are not permitted to withdraw any amount from the Accounts without the prior written consent of the Agent.

[The instructions and authorisations in this letter are without prejudice to the protections given to you in the account bank agreement dated [●] between, among others, us and you and shall remain in full force and effect until the Security Agent gives you written notice revoking them.]

We hereby irrevocably authorise you to take the actions described above at any time and from time to time, without any enquiry whatsoever into the authority or identity of the individuals giving or purporting to give any written notice or instructions (including by way of facsimile transmission) to you or requesting any information and we hold you harmless in connection therewith.

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Agent at [●], with a copy to us at [●].

This notice and any non-contractual obligations arising out or in relation to this notice shall be governed by, and interpreted in accordance with, English law.

[On copy letter only:]

To: ***Security Agent***

We acknowledge receipt of a notice dated ____ November 2016 (the "**Notice**") (a copy of which is attached hereto) dated [●] and addressed to us by the Chargor and the Security Agent regarding the Accounts (as defined in the Notice):

We acknowledge and confirm that we:

1. accept the instructions and authorisations contained in the Notice and agree to comply with its terms;
2. have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of the Accounts (as defined in the Notice); and
3. will not permit any amount to be withdrawn from the Accounts (as defined in the Notice) without the prior written consent of the Agent.

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

.....
for and on behalf of

[Name of bank]

By: *[Name of signatory]*

Dated:

Part 5
Notice of charge of Other Bank Accounts

To: *[Name and address of other bank]*

[Date]

Dear Sirs

We hereby give you notice that by a Security Agreement (the "**Security Agreement**") dated [●] 20[●] and entered into by us in favour of *[Name of Security Agent]* (the "**Security Agent**") we have charged all our rights in, to, under, in respect of or derived from any credit balances on the Accounts listed below (the "**Accounts**") and the indebtedness represented by the Accounts:

1. The Chargor unconditionally instructs and authorises you to perform the following acts as soon as reasonably practicable following your receipt of a written notice from the Security Agent entitled "Enforcement Notice" which is addressed to Citibank N.A., London Branch, Attention: Charged Account Team/Specialised Agency Group, sent via e-mail to AT.INSTRUCTIONS@CITI.COM and marked 'EXTREMELY URGENT' (the "**Enforcement Notice**").:
 - a. to pay or to release any moneys standing to the credit of the Accounts, in accordance with any instructions which you receive from the Security Agent;
 - b. not to permit any withdrawal by the Chargor of any moneys standing to the credit of the Accounts, without the prior written consent of the Security Agent and to hold all such moneys to the order of the Security Agent; and
 - c. to comply with the terms of any written notices or instructions relating to the Accounts and the debts represented by them which you receive from the Security Agent.
2. The Chargor hereby confirms that until you receive an Enforcement Notice you may operate each Account in the ordinary course in accordance with the existing mandate relating to that Account.
3. In accordance with the terms and conditions applicable to the Accounts, the Chargor acknowledges that you may charge, in connection with this notice, a monthly maintenance fee of [●] per Account per month as notified to and agreed by the Chargor.
4. If required by you, the Security Agent will complete such documentation as you may reasonably request to establish the authority and identity of individuals issuing instructions on its behalf.
5. The instructions and authorisations which are contained in this notice shall remain in full force and effect until (i) the Chargor and the Security Agent together give you three (3) business days' notice in writing revoking or amending them, or (ii) you give the Chargor and the Security Agent twenty (20) days' written notice terminating this notice and your acknowledgement of this notice.

6. You may comply with the instructions contained in this notice, and any instruction, request or communication delivered in connection with it, without further authority from the Chargor or the Security Agent and without any enquiry as to the justification for or validity of any such notice, instruction, request or communication. You are entitled to rely on any notice or instruction from the Security Agent that you reasonably believe to be genuine and correct. You shall not be liable to the Chargor or the Security Agent for any action taken under this notice, or with respect to the Accounts, if such action is undertaken in good faith in accordance with this notice or pursuant to an instruction, request or communication you reasonably believe to be from the Security Agent. To the maximum extent permitted by law, you shall not be liable to the Chargor or the Security Agent for indirect, incidental, consequential or special damages or any increased costs or expenses or any loss of profit, business, contracts, revenues or anticipated savings.
7. You are not obliged to comply with any instructions received from the Security Agent or the Chargor or to undertake the transactions set out in this notice or an Enforcement Notice where (a) due to circumstances not within your reasonable control you are unable to comply with such instructions, or (b) to comply with such instructions would in your reasonable opinion be contrary to any court order or applicable law. In the event that you are unable to comply with any instructions due to the circumstances set out in this paragraph, you shall not be responsible for any loss whatsoever caused to the Security Agent or to the Chargor.
8. The Chargor agrees to indemnify you in full against all liabilities, damages, claims, losses, costs, expenses or demands suffered by you or made against you in connection with this notice, save to the extent that such liability, damage, claim, loss, cost, expense or demand is suffered by you or made against you as a result of your wilful misconduct or fraud.
9. The instructions and authorisations in this notice supersede any instructions and authorisations to the contrary given to you by or on behalf of the Chargor.
10. It is acknowledged by the Chargor and the Security Agent that you are not bound by, and have no knowledge of, the terms and conditions of the Security Agreement or any related document (other than this notice) and no implied duties or obligations of you shall be read into this notice, your acknowledgement or any Enforcement Notice.
11. This notice is governed by English law.

Yours faithfully

.....
[Name of relevant Chargor]
By: [Name of signatory]

Acknowledged and agreed by:

[On copy letter only:]

To: **Security Agent**

We hereby acknowledge and confirm receipt of a notice dated ____ November 2016 (the "Notice") (a copy of which is attached hereto) dated [●] and addressed to us by the Chargor and the Security Agent regarding the Accounts (as defined in the Notice):

We acknowledge and confirm that we:

1. accept the instructions and authorisations contained in the Notice and agree to comply with its terms;
2. we have neither claimed nor exercised, nor will claim or exercise any security interest, set-off, counter-claim or other rights in favour of [**Name of Account Bank**] in respect of the Accounts (except to the extent permitted under paragraph (3) below); and
3. we accept the charge over all of the Chargor's rights in, to, under, in respect of or derived from any credit balances on the Accounts (as defined in the Notice) and the indebtedness represented by the Accounts granted in favour of the Security Agent and release any security interest (including, without limitation, any pledge or right of set-off or counterclaim, right of retention, right of combination of accounts or any similar right you may have against us or the Accounts) which may exist in our favour over or in respect of the Account, provided that we may set-off any fees or expenses we incur with respect to the Accounts without prior notice to the Security Agent.

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

.....
for and on behalf of

[**Name of bank**]

By: [**Name of signatory**]

Dated:

**SCHEDULE 5
FORM OF ACCESSION DEED**

THIS DEED OF ACCESSION is dated [●] and made between:

- (1) [●] a company incorporated in [●] (registered number [●]) whose registered office is at [●] (the "**Additional Chargor**");
- (2) [●] a company incorporated in [●] (registered number [●]) whose registered office is at [●] (the "**Company**"); and
- (3) [NAME OF SECURITY RECIPIENT] [as trustee for the Secured Parties] (the "**Security Agent**").

BACKGROUND:

- (A) By a security agreement dated [●] and made between [amongst others] (1) [●] as [●] and (2) the Security Agent (the "**Security Agreement**"), the Chargors granted security interests to the Security Agent as security for the Secured Liabilities (as defined in the Security Agreement).
- (B) The Additional Chargor has agreed to enter into this Deed of Accession and to become a Chargor under the Security Agreement. The Additional Chargor will also, by execution of a separate document, become a party to the Intercreditor Agreement as an Obligor.
- (C) [The Company enters into this Deed of Accession for itself and as agent for the other Chargors.]
- (D) This Deed of Accession is a Security Document (as defined in the Security Agreement).
- (E) [The Security Agent holds the benefit of this Deed of Accession, including the security created and other rights granted in it, on trust for the Secured Parties on the terms referred to in Recital [C] of the Security Agreement.]
- (F) This document is the deed of the Additional Chargor, even if it has not been duly executed by each other party to it or has been executed by one or both of them but not as a deed.

THIS DEED WITNESSES that:

1. DEFINITIONS AND INTERPRETATION

1.1 Incorporation of definitions

Terms defined in the Security Agreement or, failing that, the Intercreditor Agreement but not defined in this Deed of Accession shall have the same meaning in this Deed of Accession as in the Security Agreement or, as the case may be, the Intercreditor Agreement.

1.2 Interpretation

Clause 1.3 (*Construction*) of the Security Agreement (including its incorporation of clause 1.2 (*Construction*), clause 1.6 (*Jersey Terms*), clause 1.7 (*Scottish Terms*), clause 1.8 (*Irish Terms*) and clause 1.9 (*Trust matters*) of the Intercreditor Agreement) shall apply as if set out in full again here, with references to "this Security Agreement" being construed as references to this Deed of Accession and with such other changes as are appropriate to fit this context.

1.3 Disposition of land

The terms of the other Debt Documents and any related documents are incorporated into this Deed of Accession to the extent necessary for any purported disposition of land contained in the Debt Documents to be valid in accordance with s2(1) Law of Property (Miscellaneous Provisions) Act 1989.

1.4 Inconsistency

- (a) If there is any inconsistency between the terms of this Deed of Accession, and those of the Intercreditor Agreement or the Facility Agreements, the terms of the Intercreditor Agreement shall prevail.
- (b) If there is any inconsistency between the terms of the Facility Agreements and the Intercreditor Agreement, the terms of the Intercreditor Agreement shall prevail.

2. ACCESSION

The Additional Chargor:

- (a) on the date of this Deed of Accession grants the Security Interests referred to in Clause 3 (*Creation of Security Interests*); and
- (b) with effect from the date of this Deed of Accession will become a party to the Security Agreement as a Chargor and have the same rights and obligations as if it had been an original party to the Security Agreement as a Chargor.

3. CREATION OF SECURITY INTERESTS

3.1 Land

- (a) The Additional Chargor charges:
 - (i) by way of first legal mortgage, all estates or interests owned by it at the date of this Security Agreement in the properties brief details of which are set out in Schedule 2 (*Properties*) (the "**Accession Properties**") and any other land in England and Wales; and
 - (ii) by way of first fixed charge, all of its other rights in any land.
- (b) The Additional Chargor assigns absolutely all of its rights in any:

- (i) Lease Document (including any Occupational Lease); and
 - (ii) Rental Income or other payment,
- relating to the Accession Properties and any other Mortgaged Properties.

3.2 Accounts

The Additional Chargor charges by way of first fixed charge all of its rights:

- (a) in any credit balances on any bank accounts listed or referred to in Schedule 2, Part 1 (*Specified Accounts*) and the indebtedness represented by them; and
- (b) in any credit balances on any other bank accounts and the indebtedness represented by them.

3.3 Debts

The Additional Chargor charges by way of first fixed charge all of its rights in its Debts.

3.4 Investments

The Additional Chargor charges by way of first fixed charge all of its rights in its Investments, including any listed or referred to in Schedule 2, Part 3 (*Specified Investments*).

3.5 Insurances

The Additional Chargor assigns absolutely all of its rights in its Insurances, including any listed or referred to in Schedule 2, Part 5 (*Specified Insurance*).

3.6 Assignment of documents

The Additional Chargor assigns absolutely all of its rights in:

- (a) any Hedging Agreement (without prejudice and subject to any netting or set-off provisions contained in it);
- (b) any Subordinated Debt and Subordinated Debt Documents;
- (c) [etc –] *list any other documents to be assigned*; and
- (d) any other document from time to time designated as an Assigned Document by the Additional Chargor (or the Company on its behalf) and the Security Agent.

3.7 Miscellaneous fixed charges

The Additional Chargor charges by way of first fixed charge, in each case to the extent not otherwise charged or assigned in Clause 3.1 to Clause 3.6:

- (a) all of its rights in any plant, machinery, vehicles, equipment and other chattels (but excluding its stock-in-trade or work-in-progress);
- (b) any goodwill and uncalled capital from time to time and all of its rights to future calls in respect of capital;
- (c) all of its rights in its Intellectual Property, including any listed or referred to in Schedule 2, Part 4 (*Specified Intellectual Property*);
- (d) all licences, consents and other Authorisations held in connection with its business or the use of any Security Assets and all of its rights in connection with them; and
- (e) all of its rights in any security interests, guarantees, indemnities, covenants for title, agreements, reports and other documents including those relating to all or any part of the Security Assets.

3.8 Floating charge

- (a) The Additional Chargor charges by way of first floating charge the whole of its undertaking and other assets including, for the avoidance of any doubt, all its present and future undertakings and other assets located in Scotland or otherwise governed by Scots law.
- (b) The floating charge created pursuant to Clause 3.8(a) shall be deferred in point of priority to any Scottish Floating Charge validly and effectively created by that Chargor under the Debt Documents in favour of the Security Agent as security for the Secured Liabilities.
- (c) Schedule B1, Paragraph 14 IA shall apply to the floating charge created by the Additional Chargor in Clause 3.8(a).

4. RELATIONSHIP WITH OTHER DEBT DOCUMENTS

4.1 Security Document and Debt Document

This Deed of Accession is a Security Document and so a Debt Document.

4.2 Incorporation into the Security Agreement

The Security Agreement and this Deed of Accession shall be read and construed as one document. Any reference in the Security Agreement to the Security Agreement shall include this Deed of Accession, so that in particular:

- (a) clause 3.1 (*General provisions regarding Security Interests*) of the Security Agreement shall apply to the Security Interests created under this Deed of Accession; and
- (b) any reference in the Security Agreement in whatever form of words to an assignment, fixed charge or floating charge created under the Security Agreement shall include any assignment, fixed charge or floating charge created under this Deed of Accession.

4.3 Provisions of the Facility Agreements

- (a) The Additional Chargor, even if it is not a Borrower:
 - (i) makes the Repeating Representations (as defined in the Facility Agreements) to each Finance Party on the date of this Deed of Accession and is deemed to repeat them on each day on which any representations and warranties are made or repeated pursuant to each of the applicable Facility Agreements; and
 - (ii) undertakes to each Finance Party to comply with clause 10 (*Bank accounts*) of the Intercreditor Agreement and clause 19 (*Property undertakings*) of the Facility Agreements in respect of each Accession Property as if (even if this is not the case) the Accession Property were a Property (as defined in each of the Facility Agreements).
- (b) The Company undertakes to each Finance Party to comply with clause 8.3 (*Valuations*) of the Intercreditor Agreement and clause 16.4 (*Monitoring of Property*) of each of the Facility Agreements in respect of each Accession Property and the income from it as if (even if this is not the case) the Accession Property were a Property (as defined in each of the Facility Agreements).

5. COMMUNICATIONS

The Additional Chargor confirms that its contact details for communications in relation to Clause 20 (*Notices*) of the Intercreditor Agreement are those applicable to it under the Intercreditor Agreement or set out below.

6. GOVERNING LAW

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

EXECUTION:

The parties have shown their acceptance of the terms of this Deed of Accession by executing it, in the case of the Chargor as a deed, at the end of the Schedules.

**SCHEDULE 1
PROPERTIES**

**Part 1
Registered land**

(Freehold (including commonhold) or leasehold property (if any) in England and Wales of which the Additional Chargor is registered as the proprietor at Land Registry)

Description of Property	Title Number

**Part 2
Unregistered land**

(Freehold or leasehold property (if any) in England and Wales title to which is not registered at Land Registry of which the Additional Chargor is the owner)

The freehold/leasehold property known as and comprised in the following title deed(s) or other document(s) of title:

Description of Property	Date	Document	Parties

**SCHEDULE 2
SPECIFIED ASSETS**

**Part 1
Specified Accounts**

**Part 2
Other Bank Accounts**

**Part 3
Specified Investments**

[Details to be specified. For example for shares – name of company, description and number of shares charged, share certificate number(s); where appropriate percentage of issued share capital; which Additional Chargor is the owner.]

**Part 4
Specified Intellectual Property**

**Part 5
Specified Insurance**

EXECUTION of Deed of Accession:

Additional Chargor

SIGNED as a deed by _____ ,)
Director, duly authorised for and on behalf)
of [●] in the presence of:)
)

Witness's signature:

Witness's name
(in capitals):

Witness's address:

Company

SIGNED as a deed by _____ ,)
Director, duly authorised for and on behalf)
of **LSREF IV OAK 1 LIMITED** in the)
presence of:)

Witness's signature:

Witness's name
(in capitals):

Witness's address:

Security Agent

SIGNED by _____, a)
duly authorised signatory for and on behalf)
of **MOUNT STREET MORTGAGE**)
SERVICING LIMITED in the presence)
of:)

Witness's signature:

Witness's name
(in capitals):

Witness's address: