

MR01

Particulars of a charge

laserform



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A fee is be payable with this form
Please see 'How to pay' on the last page.

✓ **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 there is no
instrument. Use form MR08.

For further information, please
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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 must be scanned and placed on the public record. **Do not send the original.**



A24 *A7818802* 13/06/2018 #61
COMPANIES HOUSE

1 **Company details**

Company number 0 6 3 9 8 4 1 0 ✓

Company name in full Dragonglass Stakis SPE Limited ("Chargor") ✓

0015

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 0 7 0 6 2 0 1 8 ✓

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 Situs Asset Management Limited, as trustee for the
Secured Parties ("Security Agent") ✓

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 any land and any intellectual property, including specifically Stakis Islington Hotel, 52 Upper Street, London, N1 0UY and land adjoining. 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	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 Rosie Harrison

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:

- ☒ The company name and number match the information held on the public Register.
- ☒ You have included a certified copy of the instrument with this form.
- ☒ You have entered the date on which the charge was created.
- ☒ You have shown the names of persons entitled to the charge.
- ☒ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8.
- ☒ You have given a description in Section 4, if appropriate.
- ☒ You have signed the form.
- ☒ You have enclosed the correct fee.
- ☒ 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: 6398410

Charge code: 0639 8410 0015

The Registrar of Companies for England and Wales hereby certifies that a charge dated 7th June 2018 and created by DRAGONGLASS STAKIS SPE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 13th June 2018.

DX

Given at Companies House, Cardiff on 20th June 2018



Companies House



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

EXECUTION VERSION

Dated 7 June 2018

- (1) **DRAGONGLASS BIDCO LIMITED** and the other persons listed in Schedule 1 as Initial Chargors
- (2) **SITUS ASSET MANAGEMENT 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

7/6/2018

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LONDON

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THIS DEED is dated 7 June 2018 and made between:

- (1) **THE PERSONS** listed in Schedule 1 (*The Initial Chargors*) (each an "**Initial Chargor**" and together the "**Initial Chargors**"); and
- (2) **SITUS ASSET MANAGEMENT LIMITED**, as trustee for the Secured Parties (as defined in the Facility Agreement defined below) (the "**Security Agent**").

BACKGROUND:

- (A) By a facility agreement dated 23 March 2018 and made between, amongst others (1) the Initial Chargors as borrowers and guarantors, and (2) the Security Agent as security trustee for the Finance Parties (the "**Facility Agreement**"), terms loans of up to £98,450,000 have been provided by the Lenders to the Borrowers on the terms set out in the Facility Agreement.
- (B) By a security agreement dated 23 March 2018 and made between the parties to this Deed and Dragonglass Belfast Limited (the "**First Security Agreement**"), the Initial Chargors and Dragonglass Belfast Limited granted security interests over all of their assets to secure the Secured Liabilities (as defined below). The First Security Deed was incorrectly registered with the Registrar of Companies in respect of the floating charge created by each of the Initial Chargors. In consideration of the Finance Parties waiving any rights which they may have as a consequence of that non-registration, the Initial Chargors have agreed to enter into this Security Agreement in favour of the Security Agent.
- (C) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED that:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"Accession Deed" means a deed of accession substantially in the form set out in Schedule 9 (*Form of Accession Deed*) or in such other form as may be specified by the Security Agent.

"Act" means the Law of Property Act 1925.

"Additional Chargor" means any person which becomes a Chargor pursuant to Clause 21 (*Changes to the Parties*).

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

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

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

"Discharge Date" means the date on which:

- (a) all of the Secured Liabilities have been unconditionally and irrevocably paid or discharged in full; and
- (b) no further Secured Liabilities are capable of arising or being outstanding,

in each case, to the satisfaction of the Security Agent (acting on the instructions of the Secured Parties).

"Enforcement Event" means the delivery by the Agent of a notice under clause 26.18 (*Acceleration*) of the Facility Agreement.

"Insolvency Event" in relation to a person includes the dissolution, bankruptcy, insolvency, sequestration, 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 and, in relation to a Chargor, **"its Insurances"** means all Insurances in which it has any rights (including as loss payee or additional insured).

"Investments" means:

- (a) all shares in any member of the Group (other than itself) owned by a Chargor or held by any nominee or trustee on its behalf; and
- (b) all other shares, stocks, debentures, bonds, partnership interests or other securities or investments in which a Chargor has any rights or, if they are held by any nominee, trustee, fiduciary, custodian or clearing system on its behalf, all rights a Chargor has against such nominee, trustee, fiduciary, custodian or clearing system.

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

"Mortgaged Property" means all freehold or leasehold property included in the definition of Security Asset.

"Party" means a party to this Deed.

"Properties" means the properties brief details of which are set out in Schedule 2 (*Real Property*) or in the matching schedule in any Accession Deed, **"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 a receiver or Scottish receiver or receiver and manager or administrative receiver, in each case appointed under this Deed.

"Relevant Contract" means each of the contracts listed in Part 1 (*Relevant Contracts*) of Schedule 3 (*Security Assets*) or in the matching schedule in any Accession Deed, and any other document rights under which are from time to time assigned under this Deed or an Accession Deed.

"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 whatsoever) of each Transaction Obligor to any Secured Party under each Finance Document, except for any obligation or liability which, if it were so included, would result in this Deed contravening any applicable law or regulation.

"Security Asset" means any asset of any Chargor which is, or is expressed to be, subject to any Security created by this Deed.

"Secured Party" means each Finance Party from time to time party to the Facility Agreement, any Received and any Delegate.

"Security Period" means the period beginning on the date of this Deed and ending on the Discharge Date.

"Specified Account" means, in relation to a Chargor, each bank account listed opposite its name in Part 2 (*Specified Accounts*) of Schedule 3 (*Security Assets*) or in the matching schedule in any Accession Deed.

1.2 Construction

- (a) Capitalised terms defined in the Facility Agreement have the same meaning in this Deed unless expressly defined in this Deed.
- (b) The provisions of Clause 1.2 (*Construction*) and Clause 1.5 (*Scottish terms*) of the Facility Agreement apply to this Deed as though they were set out in full in this Deed except that references to the Facility Agreement will be construed as references to this Deed.
- (c) Unless a contrary indication appears, a reference in this Deed to:
 - (i) a **"Finance Document"** or **"Transaction Document"** or any other agreement or instrument is a reference to that Finance Document or Transaction Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
 - (ii) any rights in respect of an asset includes:
 - (A) all amounts and proceeds paid or payable;
 - (B) all rights to make any demand or claim; and
 - (C) all powers, remedies, causes of action, security, guarantees and indemnities,

in each case in respect of or derived from that asset;

- (iii) any share, stock, debenture, bond, partnership interest or other security or investment includes:

- (A) any dividend, interest or other distribution paid or payable;

- (B) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,

in each case in respect of that share, stock, debenture, bond or other security or investment; and

- (iv) the term "**this Security**" means any Security created by this Deed.

- (d) Any covenant or undertaking of a Chargor under this Deed (other than a payment obligation which has been discharged) remains in force during the Security Period.
- (e) The terms of the other Finance Documents and of any other agreement or instrument between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition, or any agreement for the disposition, of any freehold or leasehold property contained in this Deed and other Finance Documents is a valid disposition in accordance with s2(1) Law of Property (Miscellaneous Provisions) Act 1989.
- (f) If the Security Agent considers (acting reasonably and on the basis of independent legal advice) that an amount paid to a Secured Party under a Finance Document is capable of being avoided, restored or adjusted in whole or in part or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid or discharged for the purposes of this Deed.
- (g) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Third Parties Act or the Contract (Third Party Rights)(Scotland) Act 2017 to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (c) Any Receiver may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to Clause 1.3(b) and the provisions of

the Third Parties Act or, as applicable, the Contract (Third Party Rights)(Scotland) Act 2017.

1.4 Joint and several

Save for any covenant or other obligation which relates specifically to a Security Asset owned by a specific Chargor, each covenant and other obligation given or entered into by the Chargors in or pursuant to this Deed is given or entered into by them jointly and severally. Each Chargor shall be bound by this Deed 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. CREATION OF SECURITY

2.1 General

- (a) Each Chargor covenants with, and undertakes to, the Security Agent to pay or discharge, or procure the payment or discharge of, each of the Secured Liabilities in the manner provided for in the relevant Finance Documents.
- (b) This Deed is made to secure any further advances or other facilities made available by any Finance Party under the Finance Documents. It does not create any obligation on any Finance Party to make any further advances or other facilities available.
- (c) All the security created under this Deed:
 - (i) is created in favour of the Security Agent as trustee for the Secured Parties;
 - (ii) is created over present and future assets of each Chargor;
 - (iii) is security for the payment, discharge and satisfaction of all the Secured Liabilities; and
 - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 or (in relation to rights and assets situated in Scotland or otherwise governed by Scots law) with absolute warrandice.
- (d) Each fixed charge created under this Deed takes effect as an equitable mortgage.
- (e)
 - (i) If any rights of any of the Chargors under any Relevant Contract (the "**Document**") were not secured prior to the date of this Deed without the consent of the relevant counterparty to that Document or any charge or assignment under this Deed fails to take effect over a Chargor's rights in any other asset because any other Authorisation necessary for it to do so has not been obtained or made;

- (A) unless the Security Agent has already been made aware of this, the relevant Chargor must notify the Security Agent promptly;
 - (B) this Security will constitute security over all proceeds and other amounts which the Chargor may receive, or has received, under such relevant Document or in relation to such other asset but will exclude the Chargor's other rights under that Document or in relation to such other asset;
 - (C) unless the Security Agent otherwise requires, the relevant Chargor must use its reasonable endeavours to obtain the required consent or Authorisation or satisfy any other relevant condition as soon as possible; and
 - (D) until such consent or Authorisation is obtained or any other relevant condition is satisfied, the relevant Chargor shall hold the relevant rights on trust for the Security Agent.
- (ii) If the relevant Chargor obtains the required consent or satisfies the relevant condition:
- (A) unless the Security Agent has already been made aware of this, that Chargor must notify the Security Agent promptly;
 - (B) all of that Chargor's rights under that Document or in relation to that asset will immediately be secured in accordance with Clause 2.9 (*Other contracts*) or any other relevant provisions of this Clause 2 (*Creation of security*) relating to such asset; and
 - (C) in relation to such Document, Clause 9 (*Other contracts*) will apply to it.
- (f) For the avoidance of doubt, the fixed charges and assignments created under and by Clauses 2.2 (*Land*) to 2.10 (*Miscellaneous*) below shall not apply to any rights or assets validly secured by any fixed Security governed by Scots law or the laws of Northern Ireland.
- (g) Each of the security interests created by a Chargor under this Deed ranks behind the matching security interest created by that Chargor under the First Security Agreement, to the extent that such matching security interest remains valid notwithstanding the incorrect registration referred to in Recital (B), but shall otherwise constitute a first ranking security interest. For these purposes, a "matching security interest" means a security interest of the same type (legal mortgage, mortgage, fixed charge, assignment or floating charge) created by the same Chargor in respect of the same assets. It is the joint understanding of the Parties that all of the security interests created under the First Security Deed do remain valid, apart from the floating charges created by each of the Initial Chargors in Clause 2.11(a) (*Floating charge*) of the First Security Agreement.

- (h) The Security Agent holds the benefit of this Deed and this Security on trust for the Secured Parties.

2.2 Land

- (a) Each Chargor charges:
 - (i) by way of a legal mortgage all estates or interests in any freehold or leasehold property owned by it at the date of this Deed; this includes the Properties (and any other land) located in England and Wales; and
 - (ii) (to the extent that they are not either (A) the subject of a mortgage under Clause 2.2(a)(i) or (B) heritable freehold or leasehold property in Scotland or Northern Ireland) by way of a fixed charge all estates or interests in any freehold or leasehold property now or subsequently owned by it.
- (b) A reference in this Clause 2 to a mortgage or charge of any freehold or leasehold property includes:
 - (i) all buildings, fixtures, fittings and fixed plant and machinery from time to time on that property; and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of each Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

2.3 Investments

Each Chargor:

- (a) mortgages by way of a legal mortgage all shares in any member of the Group (other than itself) owned by it or held by any nominee or trustee on its behalf; and
- (b) (to the extent that they are not the subject of a mortgage under Clause 2.3(a)) charges by way of a fixed charge all of its rights and interest in all its Investments.

2.4 Plant and machinery

To the extent that they are not the subject of a mortgage or a fixed charge under Clause 2.2 (*Land*), each Chargor charges by way of a fixed charge all plant and machinery owned by such Chargor and its interest in any plant or machinery in its possession from time to time.

2.5 Credit balances

- (a) Each Chargor charges by way of a fixed charge all of its rights in respect of each of its Specified Accounts, other than its General Account, any amount standing to the credit of each of its Specified Accounts, other than its General Account, and the debt represented by it.

- (b) Each Chargor charges by way of a fixed charge all of its rights in respect of its General Account, any amount standing to the credit of its General Account and the debt represented by it.
- (c) Each Chargor charges by way of a fixed charge all of its rights in respect of any other account it has with any person other than the accounts referred to in Clauses 2.5(a) and 2.5(b), any amount standing to the credit of any such account and the debt represented by it.

2.6 **Book debts etc.**

Each Chargor charges by way of a fixed charge:

- (a) all of its Subordinated Debt and all of its debt under any Intra-Group Loan;
- (b) all of its book and other debts, revenue or claims;
- (c) all other moneys due and owing to it; and
- (d) the benefit of all rights held by it in relation to any item under Clauses 2.6(a) to 2.6(c), including the benefit of any Security or guarantee.

2.7 **Insurances**

- (a) Each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights under any Insurance taken out by it or on its behalf or in which it has any rights or interest (including as loss payee or additional insured) (together, the "**Insurance Rights**").
- (b) To the extent that they have not been effectively assigned under Clause 2.7(a), each Chargor charges by way of a fixed charge all of its Insurance Rights.

2.8 **Hedging**

Each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights under any Hedging Agreements.

2.9 **Other contracts**

- (a) Each Chargor:
 - (i) assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights:
 - (A) under each Lease Document (including any Occupational Lease);
 - (B) in respect of all Rental Income;
 - (C) under any guarantee of Rental Income contained in or relating to any Lease Document;

- (D) under each Relevant Contract;
 - (E) under any environmental, building, structural or other report relating to any Mortgaged Property;
 - (F) under any Subordinated Debt Documents and any document evidencing any Intra-Group Loan;
 - (G) under any document, agreement or instrument to which it and any nominee or trustee is party in respect of an Investment; and
 - (H) any other document from time to time designated as a Relevant Contract, either by the relevant Chargor (or the Company on its behalf) and the Security Agent or in an Accession Deed,
- (all of the documents listed above being, the "**Assigned Documents**"); and
- (ii) charges by way of a fixed charge all of its rights under any other document, agreement or instrument to which it is a party except to the extent that it is subject to any fixed security created under any other term of this Clause 2.
- (b) To the extent that they have not been effectively assigned under Clause 2.9(a)(i), each Chargor charges by way of a fixed charge all of its rights listed under Clause 2.9(a)(i).
 - (c) 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.

2.10 Miscellaneous

Each Chargor charges by way of fixed charge, in each case to the extent not otherwise validly and effectively charged or assigned under any other term of this Clause 2 or in the matching provisions in an Accession Deed:

- (a) its goodwill;
- (b) the benefit of any Authorisation (statutory or otherwise) held in connection with its business or the use of any Security Assets;
- (c) the right to recover and receive compensation which may be payable to it in respect of any Authorisation referred to in Clause 2.10(b);
- (d) its uncalled capital from time to time and all of its rights to future calls in respect of capital;
- (e) all of its rights in its Intellectual Property;

- (f) 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
- (g) the benefit of all rights in relation to any item under Clauses 2.10(a) to 2.10(f), including 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.

2.11 Floating charge

- (a) Each Chargor charges by way of a floating charge:
 - (i) all its assets not otherwise effectively mortgaged, charged or assigned (whether at law or in equity) by way of fixed mortgage, fixed charge or assignment under this Clause 2 or in the matching provisions in an Accession Deed; and
 - (ii) all its assets located in Scotland or Northern Ireland, or otherwise governed by Scots law or the laws of Northern Ireland, as applicable, (whether or not such assets are subject to a fixed charge created under this Security Agreement or any other Finance Document).
- (b) Except as provided below, the Security Agent may (so far as permitted by applicable law) by notice to a Chargor convert the floating charge created by that Chargor under this Clause 2.11 (*Floating charge*) into a fixed charge as regards any of that Chargor's assets specified in that notice if:
 - (i) an Event of Default is continuing; or
 - (ii) the Security Agent considers (acting reasonably) those assets to be in danger of being seized or sold under any form of distress, attachment, execution, diligence or other legal process or to be otherwise in jeopardy.
- (c) The floating charge created by this Clause 2.11 (*Floating charge*) may not be converted into a fixed charge solely by reason of:
 - (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium,
 under s1A Insolvency Act 1986.
- (d) The floating charge created by this Clause 2.11 (*Floating charge*) will (in addition to the circumstances when this may occur (and subject to any restrictions) under the general law) automatically convert into a fixed charge over all of the assets of a Chargor if:
 - (i) that Chargor breaches, or takes any step with a view to breaching, Clause 3.1 (*Security – negative pledge*), as soon as that breach occurs or that step is taken;

- (ii) any person levies or attempts to levy any distress, attachment, execution, diligence, sequestration, bankruptcy or other process against any assets of such Chargor of an aggregate value of £100,000 or more and such process is not discharged within 30 days; or
 - (iii) an administrator is appointed or the Security Agent receives notice of an intention to appoint an administrator of that Chargor.
- (e) The floating charge created by this Clause 2.11 (*Floating charge*) is a qualifying floating charge for the purpose of Paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- (f) The floating charge created under this Clause 2.11 (*Floating charge*) shall be deferred in point of priority to any Scottish Floating Charge.

3. RESTRICTIONS ON DEALINGS

3.1 Security – negative pledge

Except as expressly allowed under the Facility Agreement or this Deed, no Chargor shall create or shall permit to subsist any Security or Quasi-Security over any of the Security Assets.

3.2 Disposals

Except as expressly allowed under the Finance Documents, no Chargor shall enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to dispose of (or agree to dispose of) all or any part of any Security Asset.

4. LAND

4.1 Notices to tenants

Each Chargor must:

- (a) serve a notice of assignment, substantially in the form of Schedule 4 (*Forms of Letter for Occupational Tenants*) on each tenant of the Mortgaged Property, such notice to be served:
 - (i) on the date of this Deed or, as applicable, the date of an Accession Deed, for all tenants in place on that date;
 - (ii) for any new tenant, as soon as reasonably practicable (but in any event within 5 Business Days) upon such tenant entering into a Lease Document; and
- (b) use all reasonable endeavours to ensure that each such tenant acknowledges that notice, substantially in the form of Schedule 4 (*Forms of Letter for Occupational Tenants*).

4.2 Acquisitions

If a Chargor (or any nominee on its behalf) acquires any freehold or leasehold property in England and Wales after the date of this Deed, such Chargor must:

- (a) notify the Security Agent as soon as reasonably practicable (but in any event within 5 Business Days);
- (b) promptly on request by the Security Agent and at the cost of such Chargor, execute and deliver to the Security Agent a first priority legal mortgage over that property in favour of the Security Agent in any form which the Security Agent may require; and
- (c)
 - (i) if the title to that freehold or leasehold property is registered at the Land Registry or required to be so registered, give the Land Registry written notice of this Security; and
 - (ii) if applicable, apply to the Land Registry in due form to note this Security against that title in the title register at the Land Registry.

4.3 Land Registry

- (a) Each Chargor:
 - (i) shall do all things requested by the Security Agent to facilitate the registration of this Security against any Land Registry title comprised in the Mortgaged Properties from time to time; and
 - (ii) consents to a restriction in the following terms being entered into on the Register of Title relating to any Mortgaged Property registered at the Land Registry:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of Situs Asset Management Limited referred to in the charges register or their conveyancer. (Standard Form P)".

- (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.

4.4 Deposit of title deeds

Each Chargor must immediately:

- (a) deposit with the Security Agent all deeds and documents (including all local land charges, land charges, Land Registry search certificates and planning and other statutory consents) necessary to show good and marketable title to and otherwise relating to the Mortgaged Properties (the "**Title Documents**"); or
- (b) procure that the Title Documents are held to the order of the Security Agent by a firm of solicitors approved by the Majority Lenders for that purpose; and
- (c) on completion of the registration of this Deed against any Land Registry title comprised in its Mortgaged Properties, supply the Security Agent with a copy of the title information document for that title.

4.5 Application of property undertakings to Mortgaged Properties

Each Chargor shall comply with Clause 25 (*Property covenants*) of the Facility Agreement in relation to each Mortgaged Property (whether or not it is a Borrower or the Mortgaged Property is a "Property" as defined in the Facility Agreement).

5. INVESTMENTS

5.1 Deposit

Each Chargor must promptly following receipt of the stock transfer forms from HMRC duly stamped/adjudicated or promptly upon the acquisition of any other Investment:

- (a) deposit with the Security Agent, or as the Security Agent may direct, all share certificates and other documents of title or evidence of ownership in relation to its Investments; and
- (b) execute and deliver to the Security Agent all instruments of transfer or assignment of shares (in a form acceptable to 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 other documents which may be requested by the Security Agent in order to enable the Security Agent or its nominees to be registered as the owner of or otherwise obtain a legal title to its Investments or be in a position to exercise any rights under this Deed in respect of it.

5.2 Calls

- (a) Each Chargor must duly and promptly pay all calls, instalments or other payments due and payable in respect of any of its Investments in accordance with the Facility Agreement, without deduction or set-off.
- (b) If a Chargor fails to do so, the Security Agent may, subject to it being pre-funded and/or indemnified for the same to its satisfaction, pay the calls or other payments in respect of any of its Investments on behalf of that Chargor. Such Chargor must within five Business Days of request by the

Security Agent reimburse the Security Agent for any payment made by the Security Agent under this Clause 5.2 (*Calls*).

5.3 Other obligations in respect of Investments

- (a) Each Chargor must promptly send a copy to the Security Agent of, and comply with all requests for, information which is within its knowledge and which are made under s790D and s790E of the Companies Act, any other applicable law or regulation or any similar provision contained in any articles of association or other constitutional document, or by any listing or other authority, relating to any of its Investments. If a Chargor fails to do so, the Security Agent may elect to provide such information as it may have on behalf of the relevant Chargor.
- (b) Each Chargor must comply with all other conditions and obligations assumed by it, and exercise its right, in respect of any of its Investments where failure to do so would have a material and adverse effect on the value of the relevant Investment or the ability of the Security Agent to realise the relevant Security Asset or would otherwise prejudice the interests of any Secured Party under any Finance Document.
- (c) No Chargor shall, without the prior written consent of the Security Agent (such consent not to be unreasonably withheld or delayed), (i) permit or agree to any variation of the rights attaching to its Investments, or (ii) 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.
- (d) The Security Agent is not obliged to:
 - (i) perform any obligation of the Chargor;
 - (ii) make any payment;
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or the Chargor; or
 - (iv) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,

in respect of any of its Investments.

5.4 Voting rights

- (a) Before this Security becomes enforceable:
 - (i) the voting rights, powers and other rights in respect of its Investments will be exercised by the relevant Chargor; and
 - (ii) all dividends, distributions or other income paid or payable in relation to any of its Investments must be paid into a bank account of that

Chargor in accordance with Clause 19 (*Bank Accounts*) of the Facility Agreement and until that payment is made shall be held on trust for the Security Agent.

- (b) The Chargor must indemnify the Security Agent against any loss or liability incurred by the Security Agent as a consequence of the Security Agent acting in respect of any of its Investments as permitted by this Deed.
- (c) After this Security has become enforceable:
 - (i) the Security Agent may exercise or refrain from exercising (in the name of the relevant Chargor and without any further consent or authority on the part of such Chargor) any voting rights and any powers or rights which may be exercised by the legal or beneficial owner of any Investment, any person who is the holder of any Investment or otherwise and no Chargor shall exercise any of those rights; and
 - (ii) all income received or payable to a Chargor (or received by the Security Agent or its nominee) in relation to that Chargor's Investments 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.

6. ACCOUNTS

6.1 General

In this Clause 6, "**Account Bank**" means a person with whom an Account is maintained in accordance with the Facility Agreement.

6.2 Maintenance of accounts

- (a) Each Chargor shall comply with the provisions in Clause 19 (*Bank Accounts*) of the Facility Agreement relating to (i) the maintenance and operation of bank accounts, and (ii) withdrawals from any bank account.
- (b) Except as permitted in the Facility Agreement, no Chargor shall close, open, maintain or vary the terms applicable to any bank account without the prior written consent of the Security Agent.

6.3 Book debts and receipts

- (a) Each Chargor must get in and realise its:
 - (i) Rental Income and other amounts due from tenants or any other occupiers of the Mortgaged Property; and
 - (ii) book and other debts and other moneys due and owing to it,in the ordinary course of its business and hold the proceeds of the getting in and realisation (until payment into an Account if required in accordance with Clause 6.3(b)) on trust for the Security Agent.

- (b) The Chargor must, except to the extent that the Security Agent otherwise agrees, pay all the proceeds of the getting in and realisation into an Account in accordance with Clause 19 (*Bank Accounts*) of the Facility Agreement.
- (c) No Chargor shall release, set-off, compound or otherwise deal over, of or with its debts otherwise than in accordance with Clauses 6.3(a) and 6.3(b).

6.4 Notices of charge

Each Chargor must:

- (a) promptly upon entering into this Deed, and no later than within five Business Days of opening any new bank account, serve a notice of charge, substantially in the form of Schedule 5 (*Forms of Letter for Account Bank*), on each Account Bank with which it opens or maintains any Specified Account or any other bank account; and
- (b) use reasonable endeavours to ensure that each Account Bank acknowledges the notice, substantially in the form of Schedule 5 (*Forms of Letter for Account Bank*), or any other form provided by the relevant Account Bank and approved by the Security Agent (acting reasonably).

7. HEDGING

Each Chargor must:

- (a) promptly upon (and in any event within five Business Days of) entering into any Hedging Agreement, serve a notice of assignment, substantially in the form of Schedule 6 (*Forms of Letter for Hedge Counterparty*), on each counterparty to a Hedging Agreement to which it is a party; and
- (b) use reasonable endeavours to ensure that such counterparty acknowledges that notice, substantially in the form of Schedule 6 (*Forms of Letter for Hedge Counterparty*).

8. INSURANCES

Each Chargor must:

- (a) promptly upon entering into this Deed, and no later than within five Business Days of entering into any new Insurance, serve a notice of assignment, substantially in the form of Schedule 7 (*Forms of Letter for Insurers*), on each counterparty to its Insurance; and
- (b) use reasonable endeavours to ensure that such counterparty acknowledges that notice, substantially in the form of Schedule 7 (*Forms of Letter for Insurers*).

9. OTHER CONTRACTS

- (a) Each Chargor must:

- (i) in relation to any Assigned Document, promptly upon entering into this Deed, or promptly following a document being designated an Assigned Document, and in relation to any other contract referred to in Clause 2.9(a)(ii) (*Other contracts*) no later than within five Business Days of entering into such other contract, serve a notice of assignment or charge (as applicable), substantially in the form of Schedule 8 (*Forms of Letter for Other Contracts*), on each counterparty to a contract listed in Clause 2.9 (*Other contracts*) to which such Chargor is a party; and
 - (ii) use reasonable endeavours to ensure that each such party acknowledges that notice, substantially in the form of Schedule 8 (*Forms of Letter for Other Contracts*).
- (b) No Chargor shall waive any rights under, amend any material provision of, novate, repudiate, rescind or otherwise terminate or permit to be terminated, any Assigned Document or any document referred to in Clause 2.9 (*Other contracts*) without the prior written consent of the Security Agent, except as expressly permitted under the Finance Documents.

10. INTELLECTUAL PROPERTY

Each Chargor shall do all acts and things which may be necessary to preserve and maintain the subsistence and validity of its Intellectual Property and any related registrations.

11. WHEN SECURITY BECOMES ENFORCEABLE

11.1 Event of Default

This Security will become immediately enforceable on and at any time after an Enforcement Event has occurred.

11.2 Discretion

After this Security has become enforceable, the Security Agent may enforce all or any part of this Security in any manner it sees fit or as instructed in accordance with the Facility Agreement.

11.3 Statutory powers

At any time after this Security has become enforceable, without further notice:

- (a) the power of sale and other powers conferred by s101 of the Act, and any equivalent powers under the Conveyancing and Feudal Reform (Scotland) Act 1970 and the Insolvency Act 1986, as amended by this Deed;
- (b) to the extent that Clause 12.7 (*Financial collateral*) applies, the power to appropriate the relevant Security Assets in accordance with Clause 12.7 (*Financial collateral*); and

- (c) (whether or not it has appointed a Receiver) any or all of the rights which are conferred by this Deed (whether expressly or by implication) on a Receiver,

shall be exercisable by the Security Agent.

12. ENFORCEMENT OF SECURITY

12.1 General

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (b) s93(1) of the Act (restriction on the consolidation of mortgages), s103 of the Act (restricting the power of sale), ss105, 107(2), 109(6) and 109(8) of the Act (application of proceeds of sale) and s109(1) of the Act (restricting the power to appoint a receiver) shall not apply to this Security.
- (c) The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with any provision of s99 or s100 of the Act, or the Conveyancing and Feudal Reform (Scotland) Act 1970.

12.2 No liability

- (a) Neither the Security Agent nor any Receiver, Delegate or Administrator shall:
 - (i) owe any duty to any Chargor to exercise any of its rights under this Deed; or
 - (ii) be liable or responsible to any Chargor for any Losses arising out of any exercise, purported exercise or non-exercise of any of its rights under this Deed.
- (b) Neither the Security Agent nor any Receiver, Delegate or Administrator will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee (or similar creditor) in possession or for any loss on realisation or for any default or omission for which a mortgagee (or similar creditor) in possession might be liable.

12.3 Privileges

The Security Agent and each Receiver is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees (or similar creditors) and receivers duly appointed under the Act, except that s103 of the Act does not apply.

12.4 Protection of third parties

No person (including a purchaser) dealing with the Security Agent or a Receiver or its or his/her agents will be concerned to enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Security Agent or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Finance Documents; or
- (d) how any money paid to the Security Agent or to that Receiver is to be applied.

12.5 Redemption of prior mortgages

- (a) At any time after this Security has become enforceable, the Security Agent may:
 - (i) redeem any prior Security against any Security Asset; and/or
 - (ii) procure the transfer of that Security to itself; and/or
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.
- (b) The Chargor must pay to the Security Agent, promptly on demand, the costs and expenses incurred by the Security Agent in connection with any such redemption and/or transfer, including the payment of any principal or interest.

12.6 Contingencies

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Security Agent (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it.

12.7 Financial collateral

- (a) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of the Chargor under this Deed constitute a "security financial collateral arrangement" (in each case, for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003), the Security Agent will have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.
- (b) Where any financial collateral is appropriated:

- (i) if it is listed or traded on a recognised exchange, its value will be taken as being the value at which it could have been sold on the exchange on the date of appropriation; or
- (ii) in any other case, its value will be such amount as the Security Agent reasonably determines having taken into account advice obtained by it from an independent commercial property adviser, investment bank or accountancy firm of national standing selected by it,

and each Finance Party will give credit for the proportion of the value of the financial collateral appropriated to its use.

13. RECEIVER

13.1 Appointment of Receiver

- (a) Except as provided below, the Security Agent may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) the Chargor so requests to the Security Agent at any time.
- (b) Any appointment under Clause 13.1(a) may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee (or similar creditor) to appoint a Receiver (including under s109(1) of the Act or under the Insolvency Act 1986) does not apply to this Deed.
- (d) The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under s1A Insolvency Act 1986.
- (e) The Security Agent may not appoint an administrative receiver (as defined in s29(2) Insolvency Act 1986) over the Security Assets if the Security Agent is prohibited from so doing by s72A Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

13.2 Removal

The Security Agent may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

13.3 Remuneration

The Security Agent may fix the remuneration of any Receiver appointed by it and the maximum rate specified in s109(6) of the Act or the Insolvency Act 1986 will not apply.

13.4 Agent of the Chargor

- (a) A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor alone is responsible for any contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.
- (b) No Secured Party will incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

13.5 Relationship with Security Agent

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Security Agent in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

14. POWERS OF RECEIVER

14.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause 14 in addition to those conferred on it by any law. This includes:
 - (i) in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986; and
 - (ii) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) or Scottish Receiver under the Act and the Insolvency Act 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him/her states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

14.2 Possession

A Receiver may take immediate possession of, get in and realise any Security Asset.

14.3 Carry on business

A Receiver may carry on any business of the Chargor in any manner he/she thinks fit.

14.4 Employees

(a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he/she thinks fit.

(b) A Receiver may discharge any person appointed by the Chargor.

14.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he/she thinks fit.

14.6 Sale of assets

(a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he/she thinks fit.

(b) The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he/she thinks fit.

(c) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor.

14.7 Leases

A Receiver may let any Security Asset for any term and at any rent (with or without a premium) which he/she thinks fit and may accept a surrender or renunciation of any lease or tenancy of any Security Asset on any terms which he/she thinks fit (including the payment of money to a lessee or tenant on a surrender or renunciation).

14.8 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Security Asset.

14.9 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he/she thinks fit.

14.10 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

14.11 Subsidiaries

A Receiver may form a Subsidiary of the Chargor and transfer to that Subsidiary any Security Asset.

14.12 Delegation

A Receiver may delegate his/her powers in accordance with this Deed.

14.13 Lending

A Receiver may lend money or advance credit to any person.

14.14 Protection of assets

A Receiver may:

- (a) effect any repair or insurance and do any other act which the Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;
- (b) commence and/or complete any building operation; and
- (c) apply for and maintain any planning permission, building regulation approval or any other Authorisation,

in each case as he/she thinks fit.

14.15 Other powers

A Receiver may:

- (a) do all other acts and things which he/she may consider necessary or desirable for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which he/she would be capable of exercising if he/she were the absolute beneficial owner of that Security Asset; and
- (c) use the name of the Chargor for any of the above purposes.

15. APPOINTMENT OF ADMINISTRATOR

15.1 Appointment of Administrator

- (a) The Security Agent may without notice appoint any one or more persons to be an administrator of a Chargor pursuant to Schedule B1, Paragraph 14 IA at any time after this Security has become enforceable.
- (b) Clause 15.1(a) shall not apply to a Chargor if Schedule B1, Paragraph 14 IA does not permit an administrator of that Chargor to be appointed.
- (c) Any appointment under Clause 15.1(a) shall be made in the prescribed form by the Security Agent.

15.2 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.

16. APPLICATION OF PROCEEDS

All amounts from time to time received or recovered by the Security Agent or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or part of this Security will be held by the Security Agent and applied in accordance with the Facility Agreement. This Clause 16:

- (a) is subject to the payment of any claims having priority over this Security; and
- (b) does not prejudice the right of any Secured Party to recover any shortfall from the Chargor.

17. DELEGATION

17.1 Power of Attorney

The Security Agent or any Receiver may, at any time, delegate by power of attorney or otherwise to any person for any period all or any right, power, authority or discretion exercisable by it under this Deed.

17.2 Terms

Any such delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Agent or that Receiver (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties.

17.3 Liability

Neither the Security Agent nor any Receiver shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

17.4 Subsequent exercise

A delegation under this Clause 18 shall not preclude the subsequent exercise of the relevant rights by the Security Agent or any Receiver nor preclude any of them from making a subsequent delegation of them to another person or from revoking that delegation

17.5 Delegate

For the avoidance of doubt, a Delegate shall have the benefit of any term of this Deed or of the Facility Agreement which expressly confers a right on "Delegates" (as defined in the Facility Agreement).

18. FURTHER ASSURANCES

(a) Each Chargor must promptly, at its own expense, take whatever action the Security Agent or a Receiver may require for:

- (i) creating, perfecting or protecting any security over any Security Asset or the priority of it; or
- (ii) facilitating the realisation or enforcement of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Security Agent or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset.

(b) The action that may be required under Clause 18(a) includes:

- (i) the execution of any mortgage, standard security, charge, pledge, transfer, conveyance, assignment, assignation or assurance of any asset, whether to the Security Agent or to its nominees; or
- (ii) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Agent may consider necessary or desirable.

19. POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their respective delegates or sub-delegates to be its attorney with the full power and authority of such Chargor to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case which may be required or which any attorney may in its absolute discretion deem necessary for

carrying out any obligation of such Chargor under or pursuant to this Deed or generally for enabling the Security Agent or any Receiver to exercise the respective powers conferred on them under this Deed or by law. Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 19, other than in case of gross negligence or wilful misconduct of such attorney.

20. MISCELLANEOUS

20.1 Continuing Security

This Security is, and shall remain in force as, a continuing security and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.

20.2 Additional security

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

20.3 Tacking

Each Lender must perform its obligations under the Facility Agreement (including any obligation to make available further advances).

20.4 New Accounts

- (a) If: (i) a Secured Party receives a notice (either actual or constructive) of any subsequent Security or other interest affecting any Security Asset, or (ii) an Insolvency Event occurs in relation to a Chargor, or (iii) a disposal is made of any Security Asset in breach of Clause 3.2 (*Disposals*), a Secured Party may open a new account in the name of the relevant Chargor (whether or not it permits any existing account to continue).
- (b) If that Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of such Security or other interest, the commencement of the Insolvency Event or the disposal.
- (c) As from that time all payments made to that Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

20.5 Time deposits

Without prejudice to any right of set-off any Secured Party may have under any other Finance Document or otherwise, if any time deposit matures on any account that any Chargor has with any Secured Party within the Security Period when:

- (a) this Security has become enforceable; and
- (b) no Secured Liability is due and payable,

that time deposit will automatically be renewed for any further maturity which that Secured Party considers appropriate.

20.6 Notice to Chargor

This Deed constitutes notice in writing to each Chargor of any charge or assignment of a debt owed by such Chargor to any Transaction Obligor and contained in any other Security Document.

20.7 Waiver of defences

The obligations of each Chargor under this Deed will not be discharged, impaired or otherwise affected by any act, omission, matter or thing which, but for this Clause 20.7, would reduce, release or prejudice any of its obligations under this Deed, 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 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*;
- (d) any supplement, extension, restatement, other amendment or novation or replacement of any Finance 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 Finance Document or other Security 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 Finance Document or any other document or Security; or
- (g) any Insolvency Event in relation to any person.

20.8 Non-competition

Until the Discharge Date, no Chargor shall exercise any rights it may have by reason of a claim being made against it under this Deed or its performing any of its obligations 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;
- (c) to bring legal or other proceedings for an order requiring any Transaction Obligor to make any payment, or perform any obligation, in respect of any Secured Liability;
- (d) to claim or prove as a creditor of any person in competition with any Secured Party; or
- (e) to receive, claim or have the benefit of any payment, distribution or Security from or on account of any Transaction Obligor or exercise any right of set-off against any Transaction Obligor.

Each Chargor shall hold any payment or other benefit received by it contrary to this Clause 20.8 on trust for the Security Agent and promptly pay or transfer the same to the Security Agent for application in accordance with Clause 16 (*Application of proceeds*).

20.9 Immediate recourse

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

20.10 Redemption of prior Security

- (a) The Security Agent may at any time:
 - (i) redeem, or procure the transfer to itself or its nominee of, any prior Security over any Security Assets; or
 - (ii) settle and pass the accounts of the holder of any prior Security. Any accounts so settled and passed shall in the absence of manifest error be conclusive and binding on the relevant Chargor.
- (b) All principal monies, interest, costs, expenses and other amounts incurred in and incidental to any redemption, transfer or settlement under Clause 20.10(a) shall be paid by the Chargors to the Security Agent on demand, in each case together with interest calculated in the manner referred to in the Facility Agreement.

21. CHANGES TO THE PARTIES

21.1 Security Agent

The Security Agent may assign any or all of its rights and transfer any or all of its obligations under this Deed in accordance with the provisions of the Facility Agreement.

21.2 Accession of Additional Chargors

- (a) If the Company and the Security Agent so agree, a person may accede to this Deed 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 21.2(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.

21.3 Chargors

None of the Chargors may assign any of its rights or transfer any of its rights or obligations under this Deed.

22. RELEASE

- (a) If any Chargor so requests on or following the Discharge Date, the Security Agent shall, at the cost of the requesting Chargor, as soon as reasonably practicable release and discharge this Security and re-assign the assets assigned to the Security Agent under this Deed without recourse, representation or warranty and subject to the rights of any person having prior rights over those assets.
- (b) 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.

23. SECURITY AGENT PROVISIONS

- (a) The Security Agent executes this Deed as security agent in the exercise of the powers and authority conferred and vested in it under the Facility Agreement and any other Finance Document for and on behalf of the Secured Parties for whom it acts. It will exercise its powers, rights, duties and authority under this Deed in the manner provided for in the Facility Agreement and, in so acting, the Security Agent shall have the protections, immunities, rights, powers, authorisations, indemnities and benefits conferred on it under and by the Facility Agreement and the other Finance Documents.
- (b) The Security Agent shall not owe any fiduciary duties to any party to this Deed or any of their directors, employees, agents or affiliates.
- (c) Notwithstanding any other provisions of this Deed, in acting under and in accordance with this Deed the Security Agent is entitled to seek instructions from the Secured Parties in accordance with the provisions of the Facility Agreement and 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.

24. GOVERNING LAW

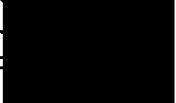
This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

EXECUTION:

THIS DEED has been executed and delivered as a deed on the date stated at the beginning of this Deed.

CHARGORS

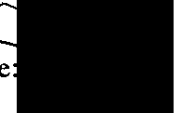
SIGNED as a deed  NICHOLAS CHADWICK)
by )
Director, duly authorised for and on behalf)
of **DRAGONGLASS BIDCO LIMITED**)
in the presence of: )

Witness's signature: 

Witness's name
(in capitals): PAUL OUMADE-SINGH

Witness's address: 1 EAGLE PLACE, LONDON, SW1Y 6AF

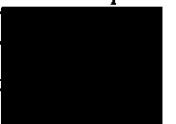
SIGNED as a deed  NICHOLAS CHADWICK))
by ))
Director, duly authorised for and on behalf))
of **CRAIGENDARROCH LIMITED** in))
the presence of: ))

Witness's signature: 

Witness's name
(in capitals): PAUL OUMADE-SINGH

Witness's address: 1 EAGLE PLACE, LONDON, SW1Y 6AF

SIGNED as a deed  NICHOLAS CHADWICK)
by )
Director, duly authorised for and on behalf)
of **DRAGONGLASS MILTON**)
KEYNES LIMITED in the presence of:)

Witness's signature: 

Witness's name
(in capitals): PAUL OUMADE-SINGH

Witness's address: 1 EAGLE PLACE, LONDON, SW1Y 6AF

NICHOLAS CHADWICK

SIGNED as a deed)
by _____)
Director, duly authorised for and on behalf)
of **DRAGONGLASS STAKIS SPE**)
LIMITED in the presence of:)

Witness's signature: _____

Witness's name
(in capitals): **PAUL OUMADE-SINGH**

Witness's address: **1 EAGLE PLACE, LONDON, SW1Y 6AF**

NICHOLAS CHADWICK

SIGNED as a deed)
by _____)
Director, duly authorised for and on behalf)
of **DRAGONGLASS UK HOLDING**)
LIMITED in the presence of:)

Witness's signature: _____

Witness's name
(in capitals): **PAUL OUMADE-SINGH**

Witness's address: **1 EAGLE PLACE, LONDON, SW1Y 6AF**

SECURITY AGENT

SIGNED as a deed

by _____

Authorised Signatory for and on behalf of

SITUS ASSET MANAGEMENT

LIMITED in the presence of:

)

)

)

)

)

Gavin Williams
Vice President

Witness's signature:

Witness's name THELMA DIDON
(in capitals):

Witness's address:

25 Canada Square, 34th Floor
Canary Wharf, London E14 5LB

**SCHEDULE 1
INITIAL CHARGORS**

Guarantor	Jurisdiction / Company Number	Registered Address
Dragonglass Bidco Limited	England and Wales / 11166553	2nd Floor One Eagle Place, St. James's, London, United Kingdom, SW1Y 6AF
Craigendarroch Limited	Scotland / SC080815	Hilton Edinburgh Grosvenor Hotel, Grosvenor Street, Edinburgh, Scotland, EH12 5EF
Dragonglass Milton Keynes Limited (formerly HLT Milton Keynes Limited)	England and Wales / 06398416	2nd Floor One Eagle Place, St. James's, London, United Kingdom, SW1Y 6AF
Dragonglass Stakis SPE Limited (formerly HLT Stakis SPE Limited)	England and Wales / 06398410	2nd Floor One Eagle Place, St. James's, London, United Kingdom, SW1Y 6AF
Dragonglass UK Holding Limited (formerly Park UK Holding Limited)	England and Wales / 10259651	2nd Floor One Eagle Place, St. James's, London, United Kingdom, SW1Y 6AF

**SCHEDULE 2
REAL PROPERTY**

**Part 1
List of all properties**

Chargor	Address of Property
Dragonglass UK Holding Limited (formerly Park UK Holding Limited)	Hilton Grosvenor Hotel, Grosvenor Street, Edinburgh EH12 5EG
Dragonglass Stakis SPE Limited (formerly HLT Stakis SPE Limited)	Stakis Islington Hotel, 52 Upper Street, London N1 0UY (and land adjoining)
Craigendarroch Limited	Hilton Bath City Hotel, Walcot Street, Bath BA1 5BJ
Dragonglass Stakis SPE Limited (formerly HLT Stakis SPE Limited)	Coylumbridge Hotel, Coylumbridge, Aviemore
Dragonglass Milton Keynes Limited (formerly HLT Milton Keynes Limited)	Hilton Milton Keynes Hotel and Conference Centre, Timbold Drive MK7 6HL

Part 2
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)

Description of Property	Title Number
The Stakis Islington Hotel, 52 Upper Street, London N1 0UY; Part of the Stakis Islington Hotel, 52 Upper Street, London N1 0UY; Airspace above the roof to a height of 9.1440 metres at Hilton Islington Hotel, 52 Upper Street, London N1 0UY; Airspace above the roof to a height of 9.1440 metres at Hilton Islington Hotel, 52 Upper Street, London N1 0UY	NGL848829; NGL851087; AGL302712; AGL307329
Land known as Hilton Bath City Hotel, Walcot Street, Bath BA1 5BJ	AV233907
Land and buildings being Hilton Milton Keynes Hotel and Conference Centre, Timbold Drive MK7 6HL	BM230281

SCHEDULE 3
SECURITY ASSETS

Part 1
Relevant Contracts

1. Share purchase agreement dated 26 February 2018 and made between (1) Dragonglass Bidco Limited as buyer, and (2) Park Intermediate Holdings LLC as seller.
2. Each agreement entered into by any Chargor in connection with its Specified Accounts.
3. Each of the following Hotel Management Agreements ("HMA"):

	HMA	Hotel	HMA parties
a)	Hotel Management Agreement originally dated 26 February and entered into by Dragonglass UK Lessee Holdings Limited (formerly Park UK Lessee Holdings Limited) as owner as novated to Craigendarroch Limited pursuant to a novation agreement dated 15 March 2018	Hilton Bath City Hotel, Walcot Street, Bath BA1 5BJ	(1) Craigendarroch Limited as owner (2) Kew Green Hotels (Management) Limited as operator (3) Kew Green Group Limited as operator guarantor
b)	Hotel Management Agreement originally dated 26 February and entered into by Dragonglass UK Lessee Holdings Limited (formerly Park UK Lessee Holdings Limited) as owner as novated to Dragonglass Stakis SPE Limited pursuant to a novation agreement dated 15 March 2018	Hilton Islington Hotel, 52 Upper Street, London N1 0UY and adjoining land	(1) Dragonglass Stakis SPE Limited as owner (2) Kew Green Hotels (Management) Limited as operator (3) Kew Green Group Limited as operator guarantor
c)	Hotel Management Agreement originally dated 26 February and entered into by Dragonglass UK Lessee Holdings Limited (formerly Park UK Lessee Holdings Limited) as owner as novated to Dragonglass Milton Keynes Limited pursuant to a novation agreement dated 15 March 2018	Hilton Milton Keynes Hotel and Conference Centre, Timbold Drive MK7 6HL	(1) Dragonglass Milton Keynes Limited as owner (2) Kew Green Hotels (Management) Limited as operator

	HMA	Hotel	HMA parties
			(3) Kew Green Group Limited as operator guarantor
d)	Hotel Management Agreement originally dated 26 February and entered into by Dragonglass UK Lessee Holdings Limited (formerly Park UK Lessee Holdings Limited) as owner as novated to Dragonglass UK Holdings Limited pursuant to a novation agreement dated 15 March 2018	Hilton Grosvenor Hotel, Grosvenor Street, Edinburgh EH12 5EG	(1) Dragonglass UK Holdings Limited as owner (2) Kew Green Hotels (Management) Limited as operator (3) Kew Green Group Limited as operator guarantor
e)	Hotel Management Agreement originally dated 26 February and entered into by Dragonglass UK Lessee Holdings Limited (formerly Park UK Lessee Holdings Limited) as owner as novated to Dragonglass Stakis SPE Limited pursuant to a novation agreement dated 15 March 2018	Coylumbriidge Hotel, Coylumbriidge, Aviemore	(1) Dragonglass Stakis SPE Limited as owner (2) Kew Green Hotels (Management) Limited as operator (3) Kew Green Group Limited as operator guarantor

4. Each of the following Hotel Franchise Agreements ("HFA"):

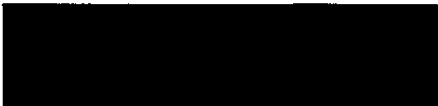
	HFA	Hotel	HFA parties
a)	Hotel Franchise Agreement originally dated 26 February 2018 and entered into by Dragonglass UK Lessee Holdings Limited (formerly known as Park UK Lessee Holdings Limited) as original franchisee as novated to Craigendarroch Limited pursuant to a novation agreement dated 15 March 2018	Hilton Bath City Hotel, Walcot Street, Bath BA1 5BJ	(1) Hilton Worldwide Manage Limited as franchisor (2) Craigendarroch Limited as franchisee
b)	Hotel Franchise Agreement originally dated 26 February 2018 and entered into by Dragonglass UK Lessee Holdings Limited (formerly known as Park UK Lessee Holdings Limited) as original franchisee as novated to Dragonglass Stakis SPE Limited pursuant to a novation agreement dated 15 March 2018	Hilton Islington Hotel, 52 Upper Street, London N1 0UY and adjoining land	(1) Hilton Worldwide Manage Limited as franchisor (2) Dragonglass Stakis SPE Limited as franchisee
c)	Hotel Franchise Agreement originally dated 26 February 2018 and entered into by Dragonglass UK Lessee Holdings Limited (formerly known as Park UK Lessee Holdings Limited) as original franchisee as novated to Dragonglass Milton Keynes Limited pursuant to a novation agreement dated 15 March 2018	Hilton Milton Keynes Hotel and Conference Centre, Timbold Drive MK7 6HL	(1) Hilton Worldwide Manage Limited as franchisor (2) Dragonglass Milton Keynes Limited as franchisee
d)	Hotel Franchise Agreement originally dated 26 February 2018 and entered into by Dragonglass UK Lessee Holdings Limited (formerly known as Park UK Lessee Holdings Limited) as original franchisee as novated to Dragonglass UK Holdings Limited pursuant to a novation agreement dated 15 March 2018	Hilton Grosvenor Hotel, Grosvenor Street, Edinburgh EH12 5EG	(1) Hilton Worldwide Manage Limited as franchisor (2) Dragonglass UK Holdings Limited as franchisee
e)	Hotel Franchise Agreement originally dated 26 February 2018 and entered into by Dragonglass UK Lessee Holdings Limited (formerly known as Park UK Lessee Holdings Limited) as original franchisee as	Coylumbidge Hotel, Coylumbidge, Aviemore	(1) Hilton Worldwide Manage Limited as franchisor (2) Dragonglass Stakis SPE Limited as franchisee

	HFA	Hotel	HFA parties
	novated to Dragonglass Stakis SPE Limited pursuant to a novation agreement dated 15 March 2018		

5. Each Management and Central Services Contract ("MCSC")

	MCSC	Hotel	MCSC parties
a)	Services Agreement originally dated 8 February 2018 and entered into by Hilton Worldwide Limited and Dragonglass Milton Keynes Limited (formerly HLT Milton Keynes Ltd) as customer.	Hilton Milton Keynes, Timbold Frive, Kents Hill Park, Milton Keynes, MK7 6HL, UK	(1) Hilton Worldwide Limited as supplier (2) Dragonglass Milton Keynes Limited (formerly HLT Milton Keynes Ltd) as customer
b)	Services Agreement originally dated 8 February 2018 and entered into by Hilton Worldwide Limited and Dragonglass Stakis SPE Limited (formerly HLT Stakis SPE Ltd) as customer.	Hilton London Islington, 63 Upper Street, London, N1 0UY, UK Hilton Cowlumbridge, Cowlumbridge, Aviemore, PH22 1QN, UK	(1) Hilton Worldwide Limited as supplier (2) Dragonglass Stakis SPE Limited (formerly HLT Stakis SPE Ltd) as customer
c)	Services Agreement originally dated 8 February 2018 and entered into by Hilton Worldwide Limited and Dragonglass UK Holding Ltd (formerly Park UK Holding Ltd) as customer.	Hilton Edinburgh Grosvenor, Grosvenor Street, Haymarket Edinburgh EH12 5EF, UK	(1) Hilton Worldwide Limited as supplier (2) Dragonglass UK Holding Ltd (formerly Park UK Holding Ltd) as customer
d)	Services Agreement originally dated 8 February 2018 and entered into by Hilton Worldwide Limited and Craigendarroch Ltd as customer.	Hilton Bath, Walcot Street, Bath, BA1 5BJ, UK	(1) Hilton Worldwide Limited as supplier (2) Craigendarroch Ltd as customer

Part 2
Specified Accounts

Chargor	Name of Account	Account number/IBAN
Dragonglass UK Holding Limited	FF&E Account to be re-named FF&E Reserve Account	Sort code – 20 00 00 
	Corporate Account to be re-named General Account	Sort code – 20 00 00 
Dragonglass Stakis SPE Limited	HLT Stakis SPE Ltd FF&E to be re-named FF&E Reserve Account	Sort code – 20 00 00 
	HLT Stakis SPE to be re-named General Account	Sort code – 20 00 00 
Dragonglass Milton Keynes Limited	HLT Milton Keynes Ltd FF&E to be re-named FF&E Reserve Account	Sort code – 20 00 00 
	HLT Milton Keynes Ltd to be re-named General Account	Sort code – 20 00 00 
Craigendarroch Limited	Craigendarroch Ltd FF&E to be re-named FF&E Reserve Account	Sort code – 20 00 00 
	Craigendarroch Ltd to be re-named General Account	Sort code – 20 00 00 

SCHEDULE 4
FORMS OF LETTER FOR OCCUPATIONAL TENANTS

Notice to Occupational Tenant

To: [Occupational tenant]

Copy: [Security Agent] (as Security Agent as defined below)

[Date]

Dear Sirs,

Re: [Property address]

Security Agreement dated [●] between [Chargor] and [Security Agent] (the Security Agreement)

We refer to the lease dated [●] and made between [●] and [●] (the "Lease").

This letter constitutes notice to you that under the Security Agreement we have assigned absolutely (subject to a proviso for re-assignment on redemption) to [Security Agent] (as trustee for the Secured Parties as referred to in the Security Agreement, the Security Agent) all our rights under the Lease.

We confirm that:

- (a) we will remain liable under the Lease to perform all the obligations assumed by us under the Lease; and
- (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Lease.

We will also remain entitled to exercise all our rights, powers and discretions under the Lease, and you should continue to give notices under the Lease to us, unless and until you receive notice from the Security Agent to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and all notices must be given to, the Security Agent or as it directs.

We irrevocably instruct and authorise you to pay all rent and all other moneys payable by you under the Lease to our account at [], Account No. [], Sort Code [] (the "**Rent Account**").

The instructions in this letter apply until you receive notice from the Security Agent to the contrary and notwithstanding any previous instructions given by us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

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

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Security Agent at 34th Floor, 25 Canada Square, Canary Wharf, London E14 5LB, with a copy to us.

Yours faithfully,

.....
(Authorised Signatory)
[Chargor]

ACKNOWLEDGEMENT OF OCCUPATIONAL TENANT

To: [Security Agent] (as Security Agent)

Attention: [●]

[Date]

Dear Sirs,

Re: [Property address]

Security Agreement dated [●] between [Chargor] and [Security Agent] (the "Security Agreement")

We confirm receipt from [Chargor] (the "**Chargor**") of a notice dated [●] (the "**Notice**") in relation to the Lease (as defined in the Notice).

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice;
- (b) have not received any notice of any prior security over the Lease or that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Lease;
- (c) must pay all rent and all other moneys payable by us under the Lease into the Rent Account (as defined in the Notice); and
- (d) must continue to pay those moneys into the Rent Account (as defined in the Notice) until we receive your written instructions to the contrary.

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

Yours faithfully,

.....
For
[Occupational tenant]

SCHEDULE 5
FORMS OF LETTER FOR ACCOUNT BANK

Notice to Account Bank

To: [Account Bank]

Copy: [Security Agent] (as Security Agent as defined below)

[Date]

Dear Sirs,

Security Agreement dated [●] between [Chargor] and [Security Agent] (the "Security Agreement")

This letter constitutes notice to you that under the Security Agreement we have charged (by way of a first fixed charge) in favour of [Security Agent] (as trustee for the Secured Parties as referred to in the Security Agreement, the Security Agent) all our rights in respect of any account, and any amount standing to the credit of any account, maintained by us with you (the "**Accounts**").

We irrevocably instruct and authorise you to:

- (a) disclose to the Security Agent any information relating to any Account requested from you by the Security Agent;
- (b) comply with the terms of any written notice or instruction relating to any Account received by you from the Security Agent;
- (c) hold all sums standing to the credit of any Account to the order of the Security Agent; and
- (d) in respect of any Account other than our account with [] (account number [], sort code []) (the "**General Account**"), pay or release any sum standing to the credit of any such Account in accordance with the written instructions of the Security Agent.

We are not permitted to withdraw any amount from any Account other than the General Account without the prior written consent of the Security Agent.

In respect of the General Account, we are permitted to withdraw any amount from the General Account for any purpose unless and until you receive a notice from the Security Agent to the contrary stating that we are no longer permitted to withdraw any amount from the General Account without its consent. If and from the date on which you receive any such notice, we will not be permitted to withdraw any amount from the General Account without the prior written consent of the Security Agent.

We acknowledge that you may comply with the instructions in this letter without any further permission from us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

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

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Agent at 34th Floor, 25 Canada Square, Canary Wharf, London E14 5LB, with a copy to us.

Yours faithfully,

.....
(Authorised Signatory)
[Chargor]

ACKNOWLEDGEMENT OF ACCOUNT BANK

To: [Security Agent] (as Security Agent)

Copy: [Chargor]

[Date]

Dear Sirs,

Security Agreement dated [●] between [Chargor] and [Security Agent] (the "Security Agreement")

We confirm receipt from [Chargor] (the "**Chargor**") of a notice dated [] (the "**Notice**") of a charge upon the terms of the Security Agreement over all the rights of the Chargor to any amount standing to the credit of any of the Chargor's accounts with us (the "**Accounts**").

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice;
- (b) have not received notice of any prior security over, or the interest of any third party in, any Account;
- (c) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of any Account;
- (d) will not permit any amount to be withdrawn from any Account other than the General Account (as defined in the Notice) without your prior written consent; and
- (e) will comply with any notice we may receive from the Security Agent in respect of the General Account.

The Accounts maintained with us are:

[Specify accounts and account numbers]

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

Yours faithfully,

.....
(Authorised signatory)
[Account Bank]

SCHEDULE 6
FORMS OF LETTER FOR HEDGE COUNTERPARTY¹

Notice to Hedge Counterparty

To: [Hedge Counterparty]

Copy: [Security Agent] (as Security Agent as defined below)

[Date]

Dear Sirs,

Security Agreement dated [●] between [Chargor] and [Security Agent] (the "Security Agreement")

This letter constitutes notice to you that under the Security Agreement we assigned absolutely, subject to a proviso for re-assignment on redemption, to [Security Agent] (as trustee for the Secured Parties as referred to in the Security Agreement, the Security Agent) all our rights under any hedging agreements between you and us (the "**Hedging Agreements**").

We irrevocably instruct and authorise you to:

- (a) disclose to the Security Agent any information relating to the Hedging Agreements which the Security Agent may request from you; and
- (b) pay any sum payable by you under the Hedging Agreements to our account at [], account number [], sort code [].

The instructions in this letter apply until you receive notice from the Security Agent to the contrary and notwithstanding any previous instructions given by us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

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

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Security Agent at 34th Floor, 25 Canada Square, Canary Wharf, London E14 5LB, with a copy to us.

¹ Include for a floating rate loan with hedging by way of an interest rate swap.

ACKNOWLEDGEMENT OF HEDGE COUNTERPARTY

To: [Security Agent] (as Security Agent)

Copy: [Chargor]

[Date]

Dear Sirs,

Security Agreement dated between [Chargor] and [Security Agent] (the "Security Agreement")

We confirm receipt from [Chargor] (the "**Chargor**") of a notice dated [●] (the "**Notice**") of an assignment upon the terms of the Security Agreement of all the Chargor's rights under the Hedging Agreements (as defined in the Notice).

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice;
- (b) have not received notice of any prior security over, or the interest of any third party in, the Hedging Agreements;
- (c) must pay any amount payable by us under the Hedging Agreements to the Chargor's account at [], Sort Code [], Account No. []; and
- (d) must accept your instructions in relation to the Chargor's rights under the Hedging Agreements.

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

Yours faithfully,

.....
(Authorised signatory)
[Hedge Counterparty]

SCHEDULE 7
FORMS OF LETTER FOR INSURERS

Notice to Insurer

To: [Insurer]

Copy: [Security Agent] (as Security Agent as defined below)

[Date]

Dear Sirs,

Security Agreement dated [●] between [Chargor] and [Security Agent] (the "Security Agreement")

This letter constitutes notice to you that under the Security Agreement we have assigned absolutely, subject to a proviso for re-assignment on redemption, to [Security Agent] (as trustee for the Secured Parties as referred to in the Security Agreement, the Security Agent) all our rights in respect of *[insert details of contract of insurance]* (the "**Insurance**").

We confirm that:

- (a) we will remain liable under the Insurance to perform all the obligations assumed by us under the Insurance; and
- (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Insurance (unless, and to the extent, otherwise expressly provided for in the Insurance).

We will also remain entitled to exercise all our rights, powers and discretions under the Insurance, and you should continue to give notices and make payments under the Insurance to us (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Security Agent in respect of the Insurance), unless and until you receive notice from the Security Agent to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Security Agent or as it directs (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Security Agent in respect of the Insurance).

We irrevocably instruct and authorise you to disclose to the Security Agent any information relating to the Insurance requested from you by the Security Agent.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Agent at 34th Floor, 25 Canada Square, Canary Wharf, London E14 5LB, with a copy to us.

Yours faithfully,

.....
(Authorised signatory)
[Chargor]

ACKNOWLEDGEMENT OF INSURER

To: [Security Agent] (as Security Agent)

Copy: [Chargor]

[Date]

Dear Sirs,

Security Agreement dated [●] between [Chargor] and [Security Agent] (the "Security Agreement")

We confirm receipt from [Chargor] (the "**Chargor**") of a notice dated [●] (the "**Notice**") of an assignment on the terms of the Security Agreement of all the Chargor's rights in respect of *[insert details of the contract of insurance]* (the "**Insurance**").

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice; and
- (b) will give notices and make payments under the Insurance as directed in the Notice.

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

Yours faithfully,

.....
(Authorised signatory)
[Insurer]

SCHEDULE 8
FORMS OF LETTER FOR OTHER CONTRACTS

Notice to Counterparty

To: [Contract Counterparty]

Copy: [Security Agent] (as Security Agent as defined below)

[Date]

Dear Sirs,

Security Agreement dated [●] between [Chargor] and [Security Agent] (the "Security Agreement")

This letter constitutes notice to you that under the Security Agreement we have [assigned absolutely, subject to a proviso for re-assignment on redemption,]/[charged by way of a first fixed charge]² to [Security Agent] (as trustee for the Secured Parties as referred to in the Security Agreement, the Security Agent) all our rights in respect of [*insert details of contract*] (the "**Contract**").

We confirm that:

- (a) we will remain liable under the Contract to perform all the obligations assumed by us under the Contract; and
- (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.

We will also remain entitled to exercise all our rights, powers and discretions under the Contract, and you should continue to give notices and make payments under the Contract to us, unless and until you receive notice from the Security Agent to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Security Agent or as it directs.

We irrevocably instruct and authorise you to disclose to the Security Agent any information relating to the Contract requested from you by the Security Agent.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

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

² Delete as applicable.

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Agent at 34th Floor, 25 Canada Square, Canary Wharf, London E14 5LB, with a copy to us.

Yours faithfully,

.....
(Authorised signatory)
[Chargor]

ACKNOWLEDGEMENT OF COUNTERPARTY

To: [Security Agent] (as Security Agent)

Copy: [Chargor]

[Date]

Dear Sirs,

Security Agreement dated [●] between [Chargor] and [Security Agent] (the "Security Agreement")

We confirm receipt from [Chargor] (the "**Chargor**") of a notice dated [●] (the "**Notice**") of [an assignment]/[fixed charge] on the terms of the Security Agreement of all the Chargor's rights in respect of *[insert details of the contract]* (the "**Contract**").

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice; and
- (b) will give notices and make payments under the Contract as directed in the Notice.

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

Yours faithfully,

.....
(Authorised signatory)
[Contract counterparty]

SCHEDULE 9

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) **SITUS ASSET MANAGEMENT LIMITED** 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.
- (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 Clause 2.1 (*General*) 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:

2. DEFINITIONS AND INTERPRETATION

2.1 Incorporation of definitions

Terms defined in the Security Agreement or, failing that, the Facility 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 Facility Agreement.

2.2 Interpretation

Clause 1.2 (*Construction*) of the Security Agreement (including its incorporation of Clause 1.2 (*Construction*) of the Facility Agreement) shall apply as if set out in full again here, with references to "this Deed" being construed as references to this Deed of Accession and with such other changes as are appropriate to fit this context.

2.3 Disposition of land

The terms of the other Finance 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 Finance Documents to be valid in accordance with s2(1) Law of Property (Miscellaneous Provisions) Act 1989.

2.4 Inconsistency

If there is any inconsistency between the terms of this Deed of Accession and those of the Facility Agreement, the terms of the Facility Agreement shall prevail.

3. ACCESSION

The Additional Chargor:

- (a) on the date of this Deed of Accession grants the Security referred to in Clause 4 (*Creation of Security*); 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 as if it had been an original party to the Security Agreement as a Chargor.

4. CREATION OF SECURITY

4.1 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 Deed in the properties brief details of which are set out in Schedule 1 (*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.

4.2 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 (*Security Assets*), 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.

4.3 Debts

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

4.4 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 (*Security Assets*), Part 2 (*Specified Investments*).

4.5 Insurances

The Additional Chargor assigns absolutely all of its rights in its Insurances subject to a proviso for re-assignment on redemption.

4.6 Assignment of documents

The Additional Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, 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.

4.7 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 4.1 to Clause 4.6:

- (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 3, Part 3 (*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.

4.8 General

For the avoidance of doubt, the fixed charges and assignments created under and by Clauses 4.1 (*Land*) to 4.7 (*Miscellaneous fixed charges*) above shall not apply to any rights or assets validly secured by any fixed Security governed by Scots law or the laws of Northern Ireland.

4.9 Floating charge

- (a) The Additional Chargor charges by way of first floating charge:
 - (i) the whole of its undertaking and other assets [(other than assets validly and effectively charged or assigned (whether at law or in equity) from time to time pursuant to Clause 4.1 to Clause 4.7)]; and
 - (ii) the whole of its undertaking and other assets located in Scotland or Northern Ireland or otherwise governed by Scots law or the laws of Northern Ireland, as applicable, (whether or not such assets are subject to a fixed charge created under this Security Agreement or any other Finance Document).
- (b) Schedule B1, Paragraph 14 IA shall apply to the floating charge created by the Additional Chargor in Clause 4.9 (a).
- (c) The floating charge created under and pursuant to Clause 4.9(a) above shall be deferred in point of priority to any Scottish Floating Charge.

5. RELATIONSHIP WITH OTHER FINANCE DOCUMENTS

5.1 Transaction Security Document and Finance Document

This Deed of Accession is a [Transaction Security Document and so a Finance Document].

5.2 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 2.1 (*General*) of the Security Agreement shall apply to the Security 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.

5.3 Facility Agreement provisions

- (a) The Additional Chargor, even if it is not a Borrower:
 - (i) makes the Repeating Representations 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 the Facility Agreement; and
 - (ii) undertakes to each Finance Party to comply with Clauses 19 (*Bank accounts*) and 25 (*Property covenants*) of the Facility Agreement in respect of each Accession Property as if (even if this is not the case) the Accession Property were a Property (as defined in the Facility Agreement).
- (b) The Company undertakes to each Finance Party to comply with Clause 18.3 (*Valuations*) of the Facility Agreement 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 the Facility Agreement).

6. COMMUNICATIONS

The Additional Chargor confirms that its contact details for communications in relation to Clause 35 (*Notices*) of the Facility Agreement are those applicable to it under the Facility Agreement or set out below.

7. 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.

**SCHEDULE 1
PROPERTIES**

**SCHEDULE 2
SECURITY ASSETS**

**Part 1
Specified Accounts**

**Part 2
Specified Investments**

**Part 3
Specified Intellectual Property**

EXECUTION OF DEED OF ACCESSION:

[Signatures block to be added for the Additional Chargor, the Company and the Security Agent]