



Registration of a Charge

Company Name: **THE OAKS (SPRING) LIMITED**

Company Number: **12309281**



Received for filing in Electronic Format on the: **27/10/2021**

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Details of Charge

Date of creation: **18/10/2021**

Charge code: **1230 9281 0001**

Persons entitled: **OPERATIONAL REAL ESTATE FINANCE LLP**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **HOWARD KENNEDY LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 12309281

Charge code: 1230 9281 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 18th October 2021 and created by THE OAKS (SPRING) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 27th October 2021 .

Given at Companies House, Cardiff on 28th October 2021

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



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

HOWARD KENNEDY

DATED 18 OCTOBER 2021

THE OAKS (SPRING) LIMITED

as Chargor

- and -

OPERATIONAL REAL ESTATE FINANCE LLP

as Lender

SECURITY AGREEMENT

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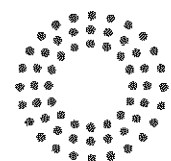


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THIS DEED is dated

18 OCTOBER

2021 and is made

BETWEEN:

- (1) **THE OAKS (SPRING) LIMITED** registered in England & Wales (registered number 12309281) whose registered address is at 2 Merchants Drive, Parkhouse, Carlisle, Cumbria CA3 0JW (the **Chargor**); and
- (2) **OPERATIONAL REAL ESTATE FINANCE LLP** (a limited liability partnership incorporated in England and Wales with Registered Number OC395395) whose registered address is at 6th Floor 338 Euston Road, London, NW1 3BG (the **Lender**).

BACKGROUND:

- (A) The Chargor enters into this Deed in connection with the Facility Agreement (as defined below).
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

Act	means the Law of Property Act 1925.
Care Home	means the registered nursing home operated as at the date of this Deed at The Oaks.
Facility Agreement	means the £15,682,000 facility agreement dated 10 January 2020 between (among others) Hollyblue Healthcare (Finance) Limited (registered number 10387913) and the Lender as amended on 24 March 2021 and as further amended on or around the date of this Deed.
Investments	means: <ol style="list-style-type: none">(a) all shares in any member of the Group (other than itself) owned by the Chargor or held by any nominee or trustee on its behalf; and(b) all other shares, stocks, debentures, bonds or other securities or investments owned by the Chargor or held by any nominee or trustee on its behalf.

London	Hollyblue Healthcare (London) Limited (company number 09729908).
Mortgaged Property	means all freehold or leasehold property included in the definition of Security Asset.
Party	means a party to this Deed.
Receiver	means a receiver or receiver and manager or administrative receiver, in each case appointed under this Deed.
Relevant Contract	means: <ul style="list-style-type: none"> (a) an engagement letter made between (1) the Chargor and (2) Premier Care Solutions (Stannington) Ltd (registered number 10658855) relating to the management of the Care Home dated on around the date of this Deed; (b) a licence to occupy made between (1) the Chargor and (2) London relating to the occupation of The Oaks dated on or around the date of this Deed; and (c) a business transfer agreement made between (1) the Chargor and (2) SCEMI dated on or around the date of this Deed
The Oaks	the freehold property known as The Oaks, 904 Sidcup Road, New Eltham, London, SE9 3PW registered at the Land Registry with title absolute under title number K187591.
SCEMI	Speciality Care (EMI) Limited (company number 02192205)
Security Asset	means any asset of the Chargor which is, or is expressed to be, subject to any Security created by this 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 Obligor to any Secured Party under each Finance Document including all interest, commissions, fees and all legal and other costs, charges and expenses which any Secured Party may charge any Obligor or incur under any Finance Document.
Security Period	means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

1.2 Construction

- 1.2.1 Capitalised terms defined in the Facility Agreement have the same meaning in this Deed unless expressly defined in this Deed.
- 1.2.2 The provisions of Clause 1.2 (*Construction*) 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.
- 1.2.3 Unless a contrary indication appears, a reference in this Deed to:
- 1.2.3.1 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;
- 1.2.3.2 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;
- 1.2.3.3 any share, stock, debenture, bond 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
- 1.2.3.4 the term this Security means any Security created by this Deed.
- 1.2.4 Any covenant of the Chargor under this Deed (other than a payment obligation which has been discharged) remains in force during the Security Period.
- 1.2.5 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 is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.2.6 If the Lender considers that an amount paid to a Secured Party under a Finance Document is capable of being avoided 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 for the purposes of this Deed.

1.2.7 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

1.3.1 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 to enforce or to enjoy the benefit of any term of this Deed.

1.3.2 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.

1.3.3 Any Receiver may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to paragraph 1.3.2 above and the provisions of the Third Parties Act.

2. CREATION OF SECURITY

2.1 General

2.1.1 The Chargor must pay or discharge the Secured Liabilities in the manner provided for in the Finance Documents.

2.1.2 All the security created under this Deed:

2.1.2.1 is created in favour of the Lender;

2.1.2.2 is created over present and future assets of the Chargor;

2.1.2.3 is security for the payment of all the Secured Liabilities; and

2.1.2.4 is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

2.2 Land

2.2.1 The Chargor charges:

2.2.1.1 by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it; this includes the real property (if any) specified in Schedule 1 (*Real Property*); and

- 2.2.1.2 (to the extent that they are not the subject of a mortgage under paragraph 2.2.1.1 above) by way of a first fixed charge all estates or interests in any freehold or leasehold property now or subsequently owned by it.
- 2.2.2 A reference in this Clause 2 (*Creation of Security*) to a mortgage or charge of any freehold or leasehold property includes:
- 2.2.2.1 all buildings, fixtures, fittings and fixed plant and machinery on that property; and
- 2.2.2.2 the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants.
- 2.3 **Investments**
- The Chargor charges by way of a first fixed charge its interest in all its Investments.
- 2.4 **Plant and machinery**
- To the extent that they are not the subject of a mortgage or a first fixed charge under Clause 2.2 (*Land*), the Chargor charges by way of a first fixed charge all plant and machinery owned by the Chargor and its interest in any plant or machinery in its possession.
- 2.5 **Credit balances**
- 2.5.1 The Chargor charges by way of a first fixed charge all of its rights in respect of any Account other than a General Account, any amount standing to the credit of any Account other than a General Account and the debt represented by it.
- 2.5.2 The Chargor charges by way of a first fixed charge all of its rights in respect of a General Account, any amount standing to the credit of a General Account and the debt represented by it.
- 2.5.3 The Chargor charges by way of a first fixed charge all of its rights in respect of any account it has with any person other than the accounts referred to in paragraphs 2.5.1 and 2.5.2 above, any amount standing to the credit of any such account and the debt represented by it.
- 2.6 **Book debts etc.**
- The Chargor charges by way of a first fixed charge:
- 2.6.1 all of its Subordinated Debt;
- 2.6.2 all of its book and other debts;
- 2.6.3 all other moneys due and owing to it; and

- 2.6.4 the benefit of all rights in relation to any item under paragraphs 2.6.1 to 2.6.3 above.

2.7 Insurances

- 2.7.1 The Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights under any contract or policy of insurance taken out by it or on its behalf or in which it has an interest (together, the **Insurance Rights**).
- 2.7.2 To the extent that they have not been effectively assigned under paragraph 2.7.1 above, the Chargor charges by way of a first fixed charge all of its Insurance Rights.

2.8 Other contracts

- 2.8.1 The Chargor:
- 2.8.1.1 assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights:
- (a) under each Lease Document;
 - (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; and
 - (e) under any document, agreement or instrument to which it and any nominee or trustee is party in respect of an Investment; and
- 2.8.1.2 charges by way of a first 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 (*Creation of Security*).
- 2.8.2 To the extent that they have not been effectively assigned under paragraph 2.8.1.1 above, the Chargor charges by way of a first fixed charge all of its rights listed under paragraph 2.8.1.1 above.

2.9 Miscellaneous

The Chargor charges by way of first fixed charge:

- 2.9.1 its goodwill;
- 2.9.2 the benefit of any Authorisation (statutory or otherwise) held in connection with its use of any Security Asset;

- 2.9.3 the right to recover and receive compensation which may be payable to it in respect of any Authorisation referred to in paragraph 2.9.2 above;
- 2.9.4 its uncalled capital; and
- 2.9.5 the benefit of all rights in relation to any item under paragraphs 2.9.1 to 2.9.4 above.

2.10 Floating charge

- 2.10.1 The Chargor charges by way of a first floating charge all its assets not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, fixed charge or assignment under this Clause 2 (*Creation of Security*).
- 2.10.2 Except as provided below, the Lender may by notice to the Chargor convert the floating charge created by this Clause 2.10 (*Floating charge*) into a fixed charge as regards any of the Chargor's assets specified in that notice if:
 - 2.10.2.1 an Event of Default is continuing; or
 - 2.10.2.2 the Lender considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- 2.10.3 The floating charge created by this Clause 2.10 (*Floating charge*) may not be converted into a fixed charge solely by reason of:
 - 2.10.3.1 the obtaining of a moratorium; or
 - 2.10.3.2 anything done with a view to obtaining a moratorium, under section 1A of the Insolvency Act 1986.
- 2.10.4 The floating charge created by this Clause 2.10 (*Floating charge*) will (in addition to the circumstances when this may occur under the general law) automatically convert into a fixed charge over all of the Chargor's assets if an administrator is appointed or the Lender receives notice of an intention to appoint an administrator.
- 2.10.5 The floating charge created by this Clause 2.10 (*Floating charge*) is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

3. RESTRICTIONS ON DEALINGS

3.1 Security

Except as expressly allowed under the Facility Agreement or this Deed, the Chargor must not create or permit to subsist any Security on any Security Asset.

3.2 Disposals

Except as expressly allowed under the Facility Agreement or this Deed, the Chargor must not enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to dispose of all or any part of any Security Asset.

4. LAND

4.1 Notices to tenants

The Chargor must:

4.1.1 serve a notice of assignment, substantially in the form of Part 1 of Schedule 2 (*Forms of Letter for Occupational Tenants*), on each tenant of the Mortgaged Property, such notice to be served:

4.1.1.1 on the date of this Deed for all tenants in place on that date; and

4.1.1.2 for any new tenant, promptly upon such tenant entering into a Lease Document; and

4.1.2 use reasonable endeavours to ensure that each such tenant acknowledges that notice, substantially in the form of Part 2 of Schedule 2 (*Forms of Letter for Occupational Tenants*).

4.2 Acquisitions

If the Chargor acquires any freehold or leasehold property in England and Wales in accordance with the Facility Agreement after the date of this Deed it must:

4.2.1 notify the Lender promptly;

4.2.2 promptly on request by the Lender and at the cost of the Chargor, execute and deliver to the Lender a legal mortgage over that property in favour of the Lender in any form which the Lender may require; and

4.2.3

4.2.3.1 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

4.2.3.2 if applicable, ensure that this Security is correctly noted against that title in the title register at the Land Registry.

4.3 Land Registry

The Chargor 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 _____ 2021 in favour of Operational Real Estate Finance LLP referred to in the charges register or their conveyancer (Standard Form P)".

4.4 Deposit of title deeds

The Chargor must promptly:

- 4.4.1 deposit with the Lender all deeds and documents necessary to show good and marketable title to any property referred to in Clause 4.2 (*Acquisitions*) (the **Title Documents**); or
- 4.4.2 procure that the Title Documents are held to the order of the Lender; or
- 4.4.3 procure that the Title Documents are held to the order of the Lender by a firm of solicitors approved by the Lender for that purpose.

5. INVESTMENTS

5.1 Deposit

The Chargor must immediately:

- 5.1.1 deposit with the Lender, or as the Lender may direct, all certificates and other documents of title or evidence of ownership in relation to its Investments; and
- 5.1.2 execute and deliver to the Lender all blank share transfers (undated) and other documents which may be requested by the Lender in order to enable the Lender or its nominees to be registered as the owner of or otherwise obtain a legal title to its Investments.

5.2 Calls

- 5.2.1 The Chargor must pay all calls or other payments due and payable in respect of any of its Investments in accordance with the Facility Agreement.
- 5.2.2 If the Chargor fails to do so, the Lender may pay the calls or other payments in respect of any of its Investments on behalf of the Chargor. The Chargor must promptly on written request reimburse the Lender for any payment made by the Lender under this Clause 5.2 (*Calls*).

5.3 Other obligations in respect of Investments

- 5.3.1 The Chargor must promptly send a copy to the Lender of, and comply with all requests for, information which is within its knowledge and which are made under any 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 it fails to do so, the Lender may elect to provide such information as it may have on behalf of the Chargor.

5.3.2 The Chargor must comply with all other conditions and obligations assumed by it in respect of any of its Investments.

5.3.3 The Lender is not obliged to:

5.3.3.1 perform any obligation of the Chargor;

5.3.3.2 make any payment;

5.3.3.3 make any enquiry as to the nature or sufficiency of any payment received by it or the Chargor; or

5.3.3.4 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

5.4.1 Before this Security becomes enforceable:

5.4.1.1 the voting rights, powers and other rights in respect of its Investments will be exercised:

(a) by the Chargor; or

(b) if exercisable by the Lender, in any manner which the Chargor may direct the Lender in writing; and

5.4.1.2 all dividends, distributions or other income paid or payable in relation to any of its Investments in accordance with the Facility Agreement must be paid into a General Account unless otherwise agreed in writing by the Lender.

5.4.2 The Chargor must indemnify the Lender against any loss or liability incurred by the Lender as a consequence of the Lender acting in respect of any of its Investments as permitted by this Deed on the direction of the Chargor.

5.4.3 After this Security has become enforceable, the Lender may exercise (in the name of the Chargor and without any further consent or authority on the part of the 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.

6. ACCOUNTS

6.1 General

In this Clause 6 (*Accounts*), **Account Bank** means a person with whom an Account is maintained under the Facility Agreement.

6.2 Notices of charge

The Chargor must:

- 6.2.1 on the date of this Deed, serve a notice of charge, substantially in the form of Part 1 of Schedule 3 (*Forms of Letter for Account Bank*), on each Account Bank; and
- 6.2.2 use reasonable endeavours to ensure that each Account Bank acknowledges the notice, substantially in the form of Part 2 of Schedule 3 (*Forms of Letter for Account Bank*).

7. INSURANCES

The Chargor must:

- 7.1 on the date of this Deed, serve a notice of assignment, substantially in the form of Part 1 of Schedule 4 (*Forms of Letter for Insurers*), on each counterparty to an Insurance; and
- 7.2 use reasonable endeavours to ensure that such counterparty acknowledges that notice, substantially in the form of Part 2 of Schedule 4 (*Forms of Letter for Insurers*).

8. OTHER CONTRACTS

The Chargor must, at the request of the Lender:

- 8.1 promptly serve a notice of assignment or charge (as applicable), substantially in the form of Part 1 of Schedule 5 (*Forms of Letter for Other Contracts*), on each counterparty to a contract listed in Clause 2.8 (*Other contracts*); and
- 8.2 use reasonable endeavours to ensure that each such party acknowledges that notice, substantially in the form of Part 2 of Schedule 5 (*Forms of Letter for Other Contracts*).

9. WHEN SECURITY BECOMES ENFORCEABLE

9.1 Event of Default

This Security will become immediately enforceable if an Event of Default occurs and is continuing.

9.2 Discretion

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

9.3 Statutory powers

The power of sale and other powers conferred by section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

10. ENFORCEMENT OF SECURITY

10.1 General

- 10.1.1 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.
- 10.1.2 Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- 10.1.3 The statutory powers of leasing conferred on the Lender are extended so as to authorise the Lender to lease, make agreements for leases, accept surrenders of leases and grant options as the Lender may think fit and without the need to comply with any provision of section 99 or section 100 of the Act.

10.2 No liability as mortgagee in possession

Neither the Lender nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

10.3 Privileges

The Lender and each Receiver is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that section 103 of the Act does not apply.

10.4 Protection of third parties

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

- 10.4.1 whether the Secured Liabilities have become payable;
- 10.4.2 whether any power which the Lender or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- 10.4.3 whether any money remains due under the Finance Documents; or
- 10.4.4 how any money paid to the Lender or to that Receiver is to be applied.

10.5 Redemption of prior mortgages

- 10.5.1 At any time after this Security has become enforceable, the Lender may:
 - 10.5.1.1 redeem any prior Security against any Security Asset; and/or
 - 10.5.1.2 procure the transfer of that Security to itself; and/or
 - 10.5.1.3 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.

- 10.5.2 The Chargor must pay to the Lender, immediately on demand, the costs and expenses incurred by the Lender in connection with any such redemption and/or transfer, including the payment of any principal or interest.

10.6 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 Lender (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it.

10.7 Financial collateral

- 10.7.1 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 Lender 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.

- 10.7.2 Where any financial collateral is appropriated:

10.7.2.1 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

10.7.2.2 in any other case, its value will be such amount as the Lender 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.

11. RECEIVER

11.1 Appointment of Receiver

- 11.1.1 Except as provided below, the Lender may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:

11.1.1.1 this Security has become enforceable; or

11.1.1.2 the Chargor so requests to the Lender at any time.

- 11.1.2 Any appointment under paragraph 11.1.1 above may be by deed, under seal or in writing under its hand.

11.1.3 Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.

11.1.4 The Lender 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 section 1A of the Insolvency Act 1986.

11.1.5 The Lender may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Lender is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

11.2 Removal

The Lender 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.

11.3 Remuneration

The Lender may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the Act will not apply.

11.4 Agent of the Chargor

11.4.1 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.

11.4.2 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.

11.5 Relationship with Lender

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 Lender in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

12. POWERS OF RECEIVER

12.1 General

12.1.1 A Receiver has all of the rights, powers and discretions set out below in this Clause 12 (*Powers of Receiver*) in addition to those conferred on it by any law. This includes:

12.1.1.1 in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986; and

12.1.1.2 otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.

12.1.2 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.

12.2 Possession

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

12.3 Carry on business

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

12.4 Employees

12.4.1 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.

12.4.2 A Receiver may discharge any person appointed by the Chargor.

12.5 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.

12.6 Sale of assets

12.6.1 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.

12.6.2 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.

- 12.6.3 Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor.
- 12.7 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 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).
- 12.8 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.
- 12.9 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.
- 12.10 Receipts**
- A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper for realising any Security Asset.
- 12.11 Subsidiaries**
- A Receiver may form a Subsidiary of the Chargor and transfer to that Subsidiary any Security Asset.
- 12.12 Delegation**
- A Receiver may delegate his/her powers in accordance with this Deed.
- 12.13 Lending**
- A Receiver may lend money or advance credit to any person.
- 12.14 Protection of assets**
- A Receiver may:
- 12.14.1 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;
 - 12.14.2 commence and/or complete any building operation; and
 - 12.14.3 apply for and maintain any planning permission, building regulation approval or any other Authorisation,
- in each case as he/she thinks fit.

12.15 Other powers

A Receiver may:

- 12.15.1 do all other acts and things which he/she may consider necessary 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;
- 12.15.2 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
- 12.15.3 use the name of the Chargor for any of the above purposes.

13. APPLICATION OF PROCEEDS

All amounts from time to time received or recovered by the Lender 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 Lender and applied in accordance with the Facility Agreement. This Clause 13 (*Application of Proceeds*):

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

14. EXPENSES AND INDEMNITY

The Chargor must:

- 14.1 immediately on demand pay to each Secured Party the amount of all costs and expenses (including legal fees) incurred by that Secured Party in connection with this Deed including any arising from any actual or alleged breach by any person of any law or regulation; and
- 14.2 keep each Secured Party indemnified against any failure or delay in paying those costs or expenses.

15. DELEGATION

15.1 Power of Attorney

The Lender 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.

15.2 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 Lender or that Receiver (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties.

15.3 Liability

Neither the Lender 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.

16. FURTHER ASSURANCES

16.1 The Chargor must promptly, at its own expense, take whatever action the Lender or a Receiver may reasonably require for:

16.1.1 creating, perfecting or protecting any security over any Security Asset; or

16.1.2 facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Lender or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset.

16.2 The action that may be required under paragraph 16.1 above includes:

16.2.1 the execution of any mortgage, charge, transfer, conveyance, assignment or assurance of any asset, whether to the Lender or to its nominees; or

16.2.2 the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Lender may consider necessary.

17. POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Lender, each Receiver and any of their respective delegates or sub-delegates to be its attorney with the full power and authority of the Chargor at any time after an Event of Default has occurred and is continuing 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 the Chargor under or pursuant to this Deed or generally for enabling the Lender or any Receiver to exercise the respective powers conferred on them under this Deed or by law. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 17 (*Power of Attorney*).

18. MISCELLANEOUS

18.1 Continuing Security

This Security is 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.

18.2 Tacking

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

18.3 New Accounts

- 18.3.1 If any subsequent charge or other interest affects any Security Asset, a Secured Party may open a new account with the Chargor.
- 18.3.2 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 that charge or other interest.
- 18.3.3 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.

18.4 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 the Chargor has with any Secured Party within the Security Period when:

- 18.4.1 this Security has become enforceable; and
- 18.4.2 no Secured Liability is due and payable,

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

18.5 Notice to Chargor

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

18.6 Chargor intent

The Chargor expressly confirms that it intends that this Security shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

19. RELEASE

At the end of the Security Period, the Lender must, at the request and cost of the Chargor, take whatever action is necessary to release its Security Assets from this Security.

20. GOVERNING LAW

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

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

SCHEDULE 1

REAL PROPERTY

	Proprietor	Description of Land	Freehold / Leasehold	Title Number

SCHEDULE 2

FORMS OF LETTER FOR OCCUPATIONAL TENANTS

PART 1

NOTICE TO OCCUPATIONAL TENANT

To: [Occupational tenant]

Copy: Operational Real Estate Finance LLP (as Lender as defined below)

[Date]

Dear Sirs,

Re: [Property address]

**Security Agreement dated 2021 between (1) The Oaks (Spring) Limited
and (2) Operational Real Estate Finance LLP (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 Operational Real Estate Finance LLP (the Lender) all our rights under the Lease.

We confirm that:

1. we will remain liable under the Lease to perform all the obligations assumed by us under the Lease; and
2. none of the Lender, 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 Lender 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 Lender 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 Lender 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 Lender.

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 Lender at [address] with a copy to us.

Yours faithfully,

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

PART 2

ACKNOWLEDGEMENT OF OCCUPATIONAL TENANT

To: Operational Real Estate Finance LLP (as Lender)

Attention: []

[Date]

Dear Sirs,

Re: [Property address]

**Security Agreement dated 2021 between (1) The Oaks (Spring) Limited
and (2) Operational Real Estate Finance LLP (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:

1. accept the instructions contained in the Notice and agree to comply with the Notice;
2. 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;
3. must pay all rent and all other moneys payable by us under the Lease into the Rent Account (as defined in the Notice); and
4. 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 3

FORMS OF LETTER FOR ACCOUNT BANK

PART 1

NOTICE TO ACCOUNT BANK

To: [Account Bank]

Copy: Operational Real Estate Finance LLP (as Lender as defined below)

[Date]

Dear Sirs,

**Security Agreement dated 2021 between (1) The Oaks (Spring) Limited
and (2) Operational Real Estate Finance LLP (the Security Agreement)**

(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 Operational Real Estate Finance LLP (the Lender) 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:

1. disclose to the Lender any information relating to any Account requested from you by the Lender;
2. comply with the terms of any written notice or instruction relating to any Account received by you from the Lender;
3. hold all sums standing to the credit of any Account to the order of the Lender; and
4. in respect of any Account other than the accounts listed in the table below (each a "General Account") pay or release any sum standing to the credit of any such Account in accordance with the written instructions of the Lender.

Chargor	Account Number	Sort Code

We are not permitted to withdraw any amount from any Account other than a General Account held by us without the prior written consent of the Lender.

In respect of a General Account, we are permitted to withdraw any amount from a General Account held us for any purpose unless and until you receive a notice from the Lender to the contrary stating that we are no longer permitted to withdraw any amount from a General Account held by us 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 a General Account held by us without the prior written consent of the Lender.

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 Lender.

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 Lender at [address] with a copy to us.

Yours faithfully,

.....
(Authorised Signatory)

The Oaks (Spring) Limited

PART 2

ACKNOWLEDGEMENT OF ACCOUNT BANK

To: Operational Real Estate Finance LLP (as Lender)

Copy: The Oaks (Spring) Limited

[Date]

Dear Sirs,

**Security Agreement dated 2021 between (1) The Oaks (Spring) Limited
and (2) Operational Real Estate Finance LLP (the Security Agreement)**

We confirm receipt from 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:

1. accept the instructions contained in the Notice and agree to comply with the Notice;
2. have not received notice of any prior security over, or the interest of any third party in, any Account;
3. 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;
4. will not permit any amount to be withdrawn from any Account other than a General Account (as defined in the Notice) without your prior written consent; and
5. will comply with any notice we may receive from the Lender in respect of a General Account.

The Accounts maintained with us are:

a) the following Rent Accounts:

Chargor	Account Number	Sort Code

b) the following General Accounts:

Chargor	Account Number	Sort Code

c) the following Deposit Accounts:

Chargor	Account Number	Sort Code

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 4
FORMS OF LETTER FOR INSURERS

PART 1

NOTICE TO INSURER

To: [Insurer]

Copy: Operational Real Estate Finance LLP (as Lender as defined below)

[Date]

Dear Sirs,

**Security Agreement dated 2021 between (1) The Oaks (Spring) Limited
and (2) Operational Real Estate Finance LLP (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 Operational Real Estate Finance LLP (the Lender) all our rights in respect of [insert details of contract of insurance] (the Insurance).

We confirm that:

1. we will remain liable under the Insurance to perform all the obligations assumed by us under the Insurance; and
2. none of the Lender, 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 Lender in respect of the Insurance), unless and until you receive notice from the Lender 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 Lender 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 Lender in respect of the Insurance).

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

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

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 Lender at [address] with a copy to us.

Yours faithfully,

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

PART 2

ACKNOWLEDGEMENT OF INSURER

To: Operational Real Estate Finance LLP (as Lender)

Copy: [Chargor]

[Date]

Dear Sirs,

**Security Agreement dated 2021 between (1) The Oaks (Spring) Limited
and (2) Operational Real Estate Finance LLP (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:

1. accept the instructions contained in the Notice and agree to comply with the Notice; and
2. 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 5
FORMS OF LETTER FOR OTHER CONTRACTS

PART 1

NOTICE TO COUNTERPARTY

To: [Contract Counterparty]

Copy: Operational Real Estate Finance LLP (as Lender as defined below)

[Date]

Dear Sirs,

**Security Agreement dated 2021 between (1) The Oaks (Spring) Limited
and (2) Operational Real Estate Finance LLP (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]¹ to Operational Real Estate Finance LLP (the Lender) all our rights in respect of [insert details of contract] (the Contract).

We confirm that:

1. we will remain liable under the Contract to perform all the obligations assumed by us under the Contract; and
2. none of the Lender, 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 Lender 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 Lender or as it directs.

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

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

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

¹ Delete as applicable.

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Lender at [address] with a copy to us.

Yours faithfully,

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

PART 2

ACKNOWLEDGEMENT OF COUNTERPARTY

To: Operational Real Estate Finance LLP (as Lender)

Copy: [Chargor]

[Date]

Dear Sirs,

**Security Agreement dated 2021 between (1) The Oaks (Spring) Limited
and (2) Operational Real Estate Finance LLP (the Security Agreement)**

We confirm receipt from [Chargor] (the **Chargor**) of a notice dated [] (the **Notice**) of [an assignment]/[fixed charge]² 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:

1. accept the instructions contained in the Notice and agree to comply with the Notice; and
2. 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]

² Delete as applicable.

SIGNATORIES

Chargor

EXECUTED AS A DEED by)
THE OAKS (SPRING) LIMITED acting by a)
director, in the presence of:)

.....  ... Director

Witness Name

.....  *CLARKER*

Witness Address

..... BAINES WILSON
..... SOLICITORS
..... 2 MERCHANTS DRIVE
..... CARLISLE
..... CA3 0JW

Lender

EXECUTED AS A DEED by)
OPERATIONAL REAL ESTATE FINANCE LLP)
acting by its authorised signatory Benjamin)
Phillips a director of Corporate Trading
Companies Secretaries Limited duly
authorised to sign on its behalf in its
capacity as a member of OPERATIONAL
REAL ESTATE FINANCE LLP in the presence
of:

.....
Authorised Signatory

Witness Name

.....

Witness Address

.....

.....

Witness Occupation

.....