



Registration of a Charge

Company name: **SACO CANNON STREET LIMITED**

Company number: **09175058**



X71D9T4A

Received for Electronic Filing: **09/03/2018**

Details of Charge

Date of creation: **26/02/2018**

Charge code: **0917 5058 0005**

Persons entitled: **RBC EUROPE LIMITED OF RIVERBANK HOUSE, 2 SWAN LANE, LONDON, UNITED KINGDOM, EC4R 3BF AS TRUSTEE FOR EACH OF THE SECURED PARTIES**

Brief description: **THE LEASEHOLD LAND REGISTERED WITH TITLE NUMBER AGL385740, BEING 27 GARLICK HILL, LONDON, EC4V 2BA DEMISED BY THE LEASE DATED 29 JULY 2016 MADE BETWEEN (1) EAGLE CREST BUSINESS HOLDINGS LIMITED (2) SACO CANNON STREET LIMITED (3) SACO GROUP HOLDINGS LIMITED AND THE LEASEHOLD LAND REGISTERED WITH TITLE NUMBER AGL385738, BEING 40-42 CANNON STREET, 44 TO 46 (EVEN) CANNON STREET AND 13,14, AND 15 GREAT ST THOMAS APOSTLE STREET, LONDON EC4N 6JJ DEMISED BY THE LEASE DATED 29 JULY 2016 BETWEEN (1)HSBC BANK PENSION TRUST (UK) LIMITED (2) SACO CANNON STREET LIMITED AND (3) SACO GROUP HOLDINGS LIMITED**

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: **CLIFFORD CHANCE LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9175058

Charge code: 0917 5058 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th February 2018 and created by SACO CANNON STREET LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th March 2018 .

Given at Companies House, Cardiff on 13th March 2018

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**

EXECUTION VERSION

DATED 26 FEBRUARY 2018

THE PERSONS LISTED IN SCHEDULE 1
AS CHARGORS

IN FAVOUR OF

RBC EUROPE LIMITED
AS THE SECURITY AGENT

TARGET SECURITY AGREEMENT

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THIS SECURITY AGREEMENT is made by way of deed on 26 February 2018 by:

- (1) **THE PERSONS** listed in Schedule 1 (*Chargors*) (each a "**Chargor**") in favour of:
- (2) **RBC EUROPE LIMITED** as security trustee for each of the Secured Parties (the "**Security Agent**").

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Security Agreement:

"Accounts" means each bank account (other than any Existing Account) maintained by a Chargor in England or Wales and designated as a debt service account, prepayment account, cash trap account, equity cure account, collection account, FF&E reserve account, operating account or general account (and in each case, its interest in any replacement account or sub-account or sub-division of that account) and the debt or debts represented thereby.

"Account Designation Notice" means a notice from a Chargor to the Security Agent substantially in the form attached at Part B (*Account Designation Notice*) of Schedule 11 (*Existing Accounts*) confirming that an Existing Account has ceased to be an Existing Account and is an Account for the purposes of this Security Agreement.

"Administration Event" means:

- (a) the presentation of an application or petition to the court for the making of an administration order in relation to a Chargor; or
- (b) any person (who is entitled to do so) gives notice of its intention to appoint an administrator to a Chargor or files such a notice with the court.

"Amsterdam Services Agreement" means the services agreement dated on or about the date of this Security Agreement between SACO Serviced Apartments B.V. and Opco in relation to the Amsterdam Property.

"Assigned Loans" means:

- (a) each Inter-company Loan Agreement; and
- (b) any other sum from time to time receivable from any member of the Group by any Chargor and which is not the subject of Security under any other Transaction Security Document.

"Cannon Property" means the Mortgaged Property described at rows 5 and 6 of the table set out in Schedule 2 (*Mortgaged Property*).

"Declared Default" means the occurrence of an Event of Default which is continuing and in respect of which any Obligor (as defined in the Facility Agreement) has

received notice from the Agent and/or the Security Agent and in respect of which the Majority Lenders have elected to take enforcement action in respect of the Transaction Security on account of such Event of Default.

"Development Documents" means any building contracts, bonds, guarantees, appointments, collateral warranties and other contracts entered into or to be entered into by a Chargor in respect of the development, maintenance, structural repair or other works at or to a Mortgaged Property, including without limitation those contracts listed at Schedule 12 (*Development Documents*).

"Eden Locke Property" means the property known as Eden Locke 127 George St, Edinburgh EH2 4JN and registered in Scotland under number MID154406.

"Excluded Assets" means:

- (a) any contract or other asset of a Chargor in respect of which, as at the date of this Security Agreement, the creation of any Security by that Chargor is prohibited either absolutely or without consent (provided that such contract or other asset will cease to be an Excluded Asset on and from such time (if any) as such prohibition is removed or such consent is obtained); and
- (b) (to the extent that the same are capable of being secured under this Security Agreement) the issued share capital of, or receivables payable by, the Manchester Propco.

"Existing Accounts" means each bank account listed in Part A (*Existing Account*) of Schedule 11 (*Existing Accounts*) unless and until an Account Designation Notice is served in respect of such bank account.

"Facilities Agreement" means the facilities agreement (as amended, amended and restated, supplemented or novated from time to time), entered into on or about the date hereof between, amongst others, Aparthotel Holdings I S.à r.l. (as the Company), Link Asset Services (UK) Limited (as the Agent), RBC Europe Limited (as Security Agent) and the Lenders (as defined therein).

"First Utilisation Date" means the first Utilisation Date of the Facilities (each under and as defined in the Facility Agreement).

"Group" means Aparthotel Holdings I S.à r.l. and its subsidiaries from time to time.

"Headlease" means any lease under which an Obligor holds title to all or any part of any Real Property.

"Hyatt Turnover Letter" means the letter entered or to be entered into by SACO NW Cambridge Hotel Limited and Aparthotel Holdings III S.à r.l. in favour of SACO Group Holdings Limited in respect of the Hyatt Franchise Agreement between (amongst others) SACO Group Holdings Limited, Hyatt International (Europe Africa Middle East) LLC, Hyatt Chain Services Limited, HGP (Travel) Ltd, International Reservations Limited and Hyatt International Technical Services, Inc..

"Insurance Policy" means any policy of insurance in respect of which a Chargor is an insured party relating to the Mortgaged Property (including, without limitation, any policy relating to business interruption insurance).

"Inter-company Loan Agreement" means any loan agreement or other debt instrument, in each case, governed by the laws of England and Wales pursuant to which a Chargor has provided debt to a member of the Group.

"Intellectual Property" means:

- (a) any patents, trademarks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (b) the benefit of all applications (and all goodwill associated with such applications), licences (including, without limitation, all licences contained in a Management Agreement) and rights to use such assets of each Chargor (which may now or in the future subsist).

"Investment" means all Shares, securities, certificates of deposit and other investments, all interests in collective investment schemes and partnerships and all warrants, options and rights to subscribe for any investment whether held directly by or to the order of any Chargor or by any trustee, nominee, custodian, fiduciary or clearance system on its behalf (including all rights against any such trustee, nominee, custodian, fiduciary or clearance system).

"Manchester Propco" means OCM Luxembourg Manchester Apart-Hotel S.à r.l., a private limited liability company (*société à responsabilité limitée*), incorporated and existing under the laws of Luxembourg, having its registered office at 26A Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Register under number B210531.

"Leaseco" means Aparthotel Leasing Limited, a private limited liability company incorporated in England and Wales and registered with company number 11213890.

"Leman Locke Operating Lease" means the lease of land and buildings known as 15, 15a and 17 Leman Street, London E1 8EN and 1, 3 and 5 Buckle Street, London, E1 8EH dated 2 June 2017, originally made between the Leman Locke Propco as landlord and SACO The Serviced Apartment Company Limited (a private limited company incorporated in England and Wales and registered with company number 07638220) as tenant and as assigned to Leaseco as tenant on or about the date of this Security Agreement.

"Leman Locke Property" means the Mortgaged Property described at rows 1 to 4 (inclusive) of the table set out in Schedule 2 (*Mortgaged Property*).

"Management Agreement" means each of:

- (a) the management agreement dated 29 July 2016 between Saco Cannon Street Limited and Opco in relation to the Cannon Property;
- (b) the management agreement dated on or about the date of this Security Agreement between Leaseco and Opco in relation to the Leman Locke Property;
- (c) the management agreement dated on or about the date of this Security Agreement between Leaseco and Opco in relation to the Eden Locke Property; and
- (d) each other management agreement to which a Chargor is a party which is designated as a Management Agreement for the purposes of the Facilities Agreement from time to time.

"Mortgaged Property" means:

- (a) the freehold and leasehold property specified in Schedule 2 (*Mortgaged Property*); and
- (b) the Leman Locke Operating Lease.

"Opco" means SACO The Serviced Apartment Company Limited, a private limited company incorporated in England and Wales and registered with company number 07638220.

"Operating Lease" means:

- (a) the Leman Locke Operating Lease;
- (b) any other operating lease at a Mortgaged Property from time to time.

"Real Property" means (including as provided in Clause 1.5 (*Real Property*)), the Mortgaged Property and any present or future freehold or leasehold or immoveable property and any other interest in land or buildings and all rights relating thereto in which any Chargor has an interest, in each case, located in England and Wales.

"Receiver" means a receiver, receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of the Security Assets and that term will include any appointee made under a joint or several appointment.

"Related Rights" means, in relation to any asset:

- (a) the proceeds of sale or rental of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, causes of action, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of or derived from that asset; and

- (d) any moneys and proceeds paid or payable in respect of that asset.

"Relevant Contract" means:

- (a) each Management Agreement;
- (b) the Hyatt Turnover Letter;
- (c) the Amsterdam Services Agreement; and
- (d) each Development Document listed at rows 1 to 22 of Schedule 12 (*Development Documents*).

"Relevant Share" means any Share listed in Schedule 3 (*Relevant Shares*) and all of any Chargor's other present and future Shares in any member of the Group incorporated under the laws of England and Wales for the time being.

"Restricted Contracts" each contract listed in Schedule 4 (*Restricted Contracts*).

"Scottish Floating Charge" means any floating charge governed by Scots law and granted by any Chargor in favour of the Security Agent as security for the Secured Liabilities.

"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 and whether originally incurred by an Obligor or another Transaction Obligor or by some other person) of each Obligor and each other Transaction Obligor to any Secured Party under each Finance Document.

"Secured Party" means the Security Agent, the Agent, each Lender and the Arranger from time to time party to the Facilities Agreement and any Receiver or Delegate.

"Security Assets" means each of the assets and undertaking of each Chargor which from time to time are, or are expressed to be, the subject of any Security created or expressed to be created by it in favour of the Security Agent by or pursuant to this Security Agreement.

"Security Period" means the period beginning on the First Utilisation Date and ending on the date on which the Secured Liabilities have been irrevocably and unconditionally paid or discharged in full.

"Share" means any stock, share, debenture or other security.

"Supplemental Mortgage" means a charge by way of legal mortgage granted by a Chargor in favour of, and in a form approved of by, the Security Agent.

1.2 Terms defined in other Finance Documents

Unless defined in this Security Agreement, or the context otherwise requires, a term defined in the Facilities Agreement or in any other Finance Document has the same meaning in this Security Agreement or any notice given under or in connection with this Security Agreement, as if all references in those defined terms to the Facilities

Agreement or other Finance Document were a reference to this Security Agreement or that notice.

1.3 Construction

Clauses 1.2 (*Construction*), 1.3 (*Currency symbols and definitions*), 1.5 (*Luxembourg terms*) and 1.7 (*Dutch terms*) of the Facilities Agreement will apply as if incorporated in this Security Agreement or in any notice given under or in connection with this Security Agreement, as if all references in that Clause to the Facilities Agreement were a reference to this Security Agreement or that notice.

1.4 Application of provisions in Facilities Agreement

Clauses 1.4 (*Third party rights*), 8.4 (*Default interest*), 12 (*Tax gross up and Indemnities*), 14 (*Other Indemnities*), 16 (*Costs and Expenses*), 26.1 (*Assignments and transfers by Obligors*), 27.1 (*The Agent and the Security Agent*), 31 (*Payment mechanics*), 33 (*Notices*), 34.1 (*Accounts*), 34.2 (*Certificates and determinations*), 37 (*Amendments and Waivers*) and 42 (*Enforcement*) of the Facilities Agreement are deemed to form part of this Security Agreement as if expressly incorporated into it and as if all references in those clauses to the Facilities Agreement were references to this Security Agreement.

1.5 Real Property

A reference in this Security Agreement to a mortgage, assignment or charge of any freehold, leasehold or commonhold property includes all buildings, fixtures and fittings from time to time on or forming part of that property and all Related Rights.

1.6 Present and future assets

- (a) A reference in this Security Agreement to any Mortgaged Property, Security Asset or other asset includes, unless the contrary intention appears, present and future Mortgaged Property, Security Assets and other assets.
- (b) The absence of or incomplete details of any Security Assets in any Schedule shall not affect the validity or enforceability of any Security under this Security Agreement.

1.7 Disposition of Property

The terms of the Facilities Agreement and each other Finance Document and of any side letters between the Parties in relation to the Finance Documents are incorporated into this Security Agreement and each other Finance Document to the extent required for any purported disposition, or any agreement for this disposition, of any Real Property contained in any Finance Document to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.8 Fixed Security

- (a) Clauses 4.1 (*Mortgage*) to 4.3 (*Fixed charges*) shall be construed as creating a separate and distinct mortgage, fixed charge or assignment by way of security over each relevant asset within any particular class of assets defined under this

Security Agreement and the failure to create an effective mortgage, fixed charge or assignment by way of security (whether arising out of this Security Agreement or any act or omission by any party) on any one asset shall not affect the nature of any mortgage, fixed charge or assignment imposed on any other asset whether within that same class of assets or not.

- (b) The fixed charges and assignment created by Clauses 4.1 (*Mortgage*) to 4.3 (*Fixed Charges*) shall not apply to any assets validly secured by a fixed security governed by Scots law.

1.9 No obligation

The Security Agent shall not be under any obligation in relation to the Security Assets as a consequence of this Security Agreement and each Chargor shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Security Assets.

1.10 Financial assistance

In respect of any Chargor incorporated in Luxembourg, the Security constituted by this Security Agreement does not secure any Secured Liabilities if and to the extent the granting of the Security as security for such Secured Liabilities would constitute an unlawful financial assistance violating article 1500-7 of the Luxembourg law dated 10 August 1915 on commercial companies, as amended.

2. COVENANT TO PAY

Each Chargor covenants with the Security Agent (as trustee for or for the benefit of the Secured Parties) that it shall, on demand of the Security Agent pay, discharge and satisfy the Secured Liabilities in accordance with their respective terms.

3. COMMON PROVISIONS

3.1 Common provisions as to all Security

All the Security constituted by or pursuant to this Security Agreement is:

- (a) created with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994;
- (b) created in favour of the Security Agent as trustee for or for the benefit of the Secured Parties and the Security Agent shall hold the benefit of this Security Agreement and the Security created by or pursuant to it on trust for or for the benefit of the Secured Parties; and
- (c) continuing security for the payment and discharge of all the Secured Liabilities.

4. FIXED SECURITY

4.1 Mortgage

Each Chargor charges, by way of first legal mortgage, its Mortgaged Property.

4.2 Assignment by way of Security

Subject to Clause 4.4 (*Excluded Assets*), each Chargor assigns and agrees to assign absolutely (to the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 4.1 (*Mortgage*) and to the fullest extent assignable or capable of assignment without infringing any contractual provision restricting the same), all of its rights, title and interest from time to time in and to each of the following assets:

- (a) any agreements, contracts, deeds, leases, licences, undertakings, guarantees, covenants, warranties, representations and other documents entered into by, given to or otherwise benefiting that Chargor in respect of the Real Property and all other Related Rights;
- (b) any sums payable to or for the benefit of that Chargor arising from the letting, use or occupation of all or any part of any Real Property and all sums payable and any other consideration given or to be given for the disposal of an interest in all or part of any Real Property or of any shares in any person which owns or whose subsidiary owns all or any part of any Real Property and the right to make demand for and receive the same;
- (c) all of its rights under any Insurance Policy and the W&I Policy, all of its interests in any other insurance policy relating to a Mortgaged Property and all other Related Rights;
- (d) the Relevant Contracts, the Leman Locke Operating Lease and any other contract or agreement to which that Chargor is a party and all Related Rights;
- (e) the Development Documents and all Related Rights;
- (f) the Accounts and all other Related Rights;
- (g) any master agreement, confirmation, transaction, schedule or other agreement entered into or to be entered into by that Chargor and the Hedge Counterparty for the purpose of hedging interest or otherwise evidencing or relating to any swap, cap, floor, collar or option transaction or any other treasury transaction or any combination of the same or any other transaction entered into in connection with protection against or benefit from fluctuation or movement in interest or currency rates or in any other rate, index or return howsoever described and all proceeds payable thereunder and all other Related Rights; and
- (h) the Assigned Loans, together with all Related Rights.

4.3 Fixed charges

Subject to Clause 4.4 (*Excluded Assets*), each Chargor charges (to the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 4.1 (*Mortgage*) or assigned pursuant to Clause 4.2 (*Assignment by way of Security*)) by way of first fixed charge, all of its rights, title and interest from time to time in and to each of the following assets:

- (a) the Real Property and all Related Rights;
- (b) the Accounts and all other Related Rights;
- (c) except for the Existing Accounts, each of its other accounts held with any bank, building society, financial institution or other person (including any replacement account or sub-division or sub-account of that account) in England and Wales and the debt or debts represented thereby and all other Related Rights;
- (d) any master agreement, confirmation, transaction, schedule or other agreement entered into or to be entered into by any Chargor and a Hedge Counterparty for the purpose of hedging interest or otherwise evidencing or relating to any swap, cap, floor, collar or option transaction or any other treasury transaction or any combination of the same or any other transaction entered into in connection with protection against or benefit from fluctuation or movement in interest or currency rates or any other rate, index or return howsoever described and all proceeds payable thereunder and all Related Rights;
- (e) book and other debts and monetary claims owing to it and any proceeds of those debts and claims (including any claims or sums of money deriving from or in relation to any court order or judgment owing to it and the proceeds of any Insurance Policy, any contract or agreement to which any Chargor is a party and any other assets, property, rights or undertaking of that Chargor) and all Related Rights;
- (f) the Intellectual Property and all other patents, trade marks, service marks, designs, business and trade names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests to which it is entitled, whether registered or unregistered, the benefit of all applications and its rights to use such assets and all Related Rights;
- (g) plant, machinery, office equipment, computers, vehicles, furniture, fittings and other chattels (excluding any for the time being forming part of any Chargor's stock in trade or work in progress) and all Related Rights;
- (h) the benefit of any authorisation, consent, approval, resolution, licence exemption, filing, notarisation or registration held in connection with its use of any Security Asset;
- (i) goodwill and rights and claims in relation to its uncalled share capital;

- (j) rights to recover any VAT on any supplies made to it relating to the Security Assets and any sums so recovered;
- (k) the Relevant Shares and all dividends, interest and other moneys payable in respect of the Relevant Shares and all other Related Rights (whether derived by way of redemption, bonus, preference, options, substitution, conversion, compensation or otherwise);
- (l) Investments and all Related Rights (including all rights against any trustee, nominee, fiduciary or clearance system in respect of those Investments) to the extent not charged pursuant to (k) above; and
- (m) each of the assets which are specified in Clause 4.2 (*Assignment by way of Security*).

4.4 Excluded Assets

- (a) The fixed Security from time to time constituted by this Security Agreement does not extend to any Chargor's interests in the Excluded Assets unless and until (in the case of any asset referred to in paragraph (a) of the definition of Excluded Assets) any relevant consent has been obtained or any restriction on the creation of Security over any such asset is removed.
- (b) The fixed Security from time to time constituted by this Security Agreement under Clauses 4.2 (*Assignment by way of Security*) or 4.3 (*Fixed charges*) (as applicable) does not extend to any Chargor's interests in any Restricted Contract if and to the extent that:
 - (i) in the case of any assignment under Clause 4.2 (*Assignment by way of Security*), such assignment would infringe any contractual provision in respect of such Restricted Contract restricting the same (unless and until such restriction on the creation of Security over such asset is removed or any relevant consent is obtained); or
 - (ii) in the case of any charge under Clause 4.3 (*Fixed charges*), such charge would infringe any contractual provision in respect of such Restricted Contract restricting the same (unless and until such restriction on the creation of Security over such asset is removed or any relevant consent is obtained).

5. FLOATING CHARGE

5.1 Floating charge

- (a) Except in relation to any Excluded Asset, each Chargor charges, by way of first floating charge, all its present and future assets and undertaking.
- (b) The floating charge created by paragraph (a) above shall be deferred in point of priority to all fixed Security validly and effectively created by that Chargor under the Finance Documents in favour of the Security Agent (as trustee for or

for the benefit of the Secured Parties) as security for the Secured Liabilities and (ii) any Scottish Floating Charge.

- (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by paragraph (a) above.

5.2 Conversion of floating charge to fixed Security

- (a) The Security Agent may at any time, whilst a Declared Default is continuing in accordance with Clause 10 (*Enforcement of security*) (and so far as permitted by applicable law), by notice to any Chargor convert the floating charge constituted under Clause 5.1 (*Floating charge*) with immediate effect into a fixed charge as regards any asset other than an Excluded Asset which is the subject of the floating charge or which is specified in the notice.
- (b) In addition, without prejudice to any law which may have a similar effect (and so far as permitted by applicable law), the floating charge constituted under Clause 5.1 (*Floating charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all assets the subject of the floating charge if:
 - (i) any Chargor creates or attempts to create any Security (other than any Security permitted under the terms of the Facilities Agreement), over any of the Security Assets;
 - (ii) any person levies or attempts to levy any distress, diligence, execution or other process against any of the Security Assets;
 - (iii) an Administration Event occurs;
 - (iv) a Receiver is appointed over all or any of the Security Assets;
 - (v) a meeting is convened for the passing of a resolution for the voluntary winding-up of any Chargor;
 - (vi) a petition is presented for the compulsory winding-up of any Chargor;
 - (vii) a provisional liquidator is appointed to any Chargor; or
 - (viii) a resolution is passed or an order is made for the dissolution or reorganisation of any Chargor,

or any analogous procedure or step is taken in any jurisdiction.

6. PROVISIONS AS TO SECURITY AND PERFECTION

6.1 Negative pledge and restriction on dealings

Except where agreed in writing by the Security Agent or as permitted under the Finance Documents, no Chargor will at any time during the Security Period create or permit to subsist any Security (apart from the Security constituted by this Security

Agreement and the other Security Documents) over all or any part of the Security Assets or dispose of or otherwise deal with any part of the Security Assets.

6.2 Implied covenants for title

- (a) The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to this Security.
- (b) It shall be implied in respect of this Security that each Chargor is disposing of the Security Assets free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment) other than in respect of any Permitted Security.

6.3 Notices of Security: Insurances

On or before the date falling one Business Day after:

- (a) the First Utilisation Date in relation to all Insurance Policies in existence on the First Utilisation Date; or
- (b) if later, the date of any Chargor entering into any Insurance Policy,

each Chargor shall:

- (i) deliver to the Security Agent a duly executed notice addressed to each relevant person which is party to any Insurances, of the Security constituted by this Security Agreement, such notice being substantially in the form set out in Schedule 6 (*Occupational Leases and Insurances*); and
- (ii) use reasonable endeavours to procure from each relevant person an acknowledgement in the form set out in such notice of security within 20 Business Days of service of the notice referred to in paragraph (a) above, provided that if at the end of such 20 Business Day period the relevant Chargor has used reasonable endeavours but has not been able to procure such acknowledgement, such obligation shall cease to apply.

6.4 Notices of Security: Headleases

Promptly upon:

- (a) the First Utilisation Date, in relation to all Headleases relating to the Real Property in existence on the First Utilisation Date and the tenant's interest in the Leman Locke Operating Lease; or
- (b) if later, any Chargor entering into a Headlease or an Operating Lease under which that Chargor is a tenant (in each case, which are governed by English law),

each Chargor shall:

- (i) deliver to the Security Agent a duly executed notice addressed to each relevant person which is party to such Headlease or Operating Lease, of the Security constituted by this Security Agreement, such notice being substantially in the form set out in Schedule 6 (*Headleases*); and
- (ii) use all reasonable endeavours to procure from each relevant person an acknowledgement in the form set out in such notice of security within 20 Business Days of service of the notice referred to in paragraph (a) above, provided that if at the end of such 20 Business Day period the relevant Chargor has used all reasonable endeavours but has not been able to procure such acknowledgement, such obligation shall cease to apply.

6.5 Notices of Security: Occupational Leases

On or before the date falling one Business Day after:

- (a) the First Utilisation Date, in relation to all Occupational Leases relating to the Real Property in existence on the First Utilisation Date; or
- (b) if later, the date of any Chargor entering into an Occupational Lease,

each Chargor shall:

- (i) deliver to the Security Agent a duly executed notice addressed to each relevant person which is party to any Occupational Lease, of the Security constituted by this Security Agreement, such notice being substantially in the form set out in Schedule 6 (*Occupational Leases and Insurances*); and
- (ii) use reasonable endeavours to procure from each relevant person an acknowledgement in the form set out in such notice of security within 20 Business Days of service of the notice referred to in paragraph (a) above, provided that if at the end of such 20 Business Day period the relevant Chargor has used reasonable endeavours but has not been able to procure such acknowledgement, such obligation shall cease to apply,

provided that no notice is required to be served under sub-paragraph (i) above and no acknowledgement is required to be procured under sub-paragraph (ii) in respect of any Occupational Lease (other than an Operating Lease) where both the landlord and tenant under that Occupational Lease are party to this Security Agreement (and in such case each party to that Occupational Lease acknowledges that by its entry into this Security Agreement it has received notice of and accepts the Security granted in respect of that Occupational Lease on the terms set out in Schedule 8 (*Occupational Leases and Insurances*)).

6.6 Notice of Security: Accounts

On or before the date falling one Business Day after:

- (a) the First Utilisation Date in relation to each Account maintained by it on the First Utilisation Date; or
- (b) if later, the opening by it of any other Account maintained by it which is the subject of the Security created by this Security Agreement,

each Chargor shall:

- (i) deliver to the Security Agent a duly executed notice addressed to each relevant bank, building society or other person of the Security constituted by this Security Agreement, such notice being substantially in the form set out in Schedule 5 (*Accounts*); and
- (ii) use reasonable endeavours to procure from each relevant person an acknowledgement in the form set out in such notice of security within 20 Business Days of service of the notice referred to in paragraph (i) above, provided that if at the end of such 20 Business Day period the relevant Chargor has used reasonable endeavours but has not been able to procure such acknowledgement, such obligation shall cease to apply.

6.7 Notice of Security: Assigned Loans

On or before the date falling one Business Day after:

- (a) the First Utilisation Date in relation to all Assigned Loans in existence on the First Utilisation Date; or
- (b) if later, the date of any Chargor entering into an Assigned Loan,

each Chargor shall:

- (i) deliver to the Security Agent a duly executed notice addressed to each debtor in respect of such Assigned Loans of the Security constituted by this Security Agreement, such notice being substantially in the form set out in Schedule 8 (*Assigned Loans*); and
- (ii) use reasonable endeavours to procure from the relevant debtor an acknowledgement in the form set out in such notice of security within 20 Business Days of service of the notice referred to in paragraph (i) above provided that if at the end of such 20 Business Day period the relevant Chargor has used reasonable endeavours but has not been able to procure such acknowledgement, such obligation shall cease to apply,

provided that no notice is required to be served under paragraph (i) above and no acknowledgement required to be procured under paragraph (ii) above where:

- (A) both the debtor and creditor under an Assigned Loan are party to this Security Agreement (and in such case the debtor under that Assigned Loan acknowledges that by its entry into this Security Agreement it has received notice of and accepts the

Security in respect of that Assigned Loan on the terms set out in Schedule 8 (*Assigned Loans*)); or

- (B) the creditor under an Assigned Loan states in the applicable Inter-company Loan Agreement that it has assigned its rights under that Assigned Loan in favour of the Security Agent as trustee for or for the benefit of the Secured Parties as continuing security for the payment and discharge of all the Secured Liabilities.

6.8 Notice of Security: Hedging Agreements

On or before the date falling one Business Day after:

- (a) the First Utilisation Date in relation to all Hedging Agreements in existence on the First Utilisation Date; or
- (b) if later, the date of any Chargor entering into a Hedging Agreement,

the relevant Chargor shall:

- (i) promptly deliver to the Security Agent a duly executed notice addressed to each Hedge Counterparty of the Security constituted by this Security Agreement, such notice being substantially in the form set out in Schedule 9 (*Hedging Agreements*); and
- (ii) use reasonable endeavours to procure from the relevant Hedge Counterparty an acknowledgement in the form set out in such notice of security within 20 Business Days of service of the notice referred to in paragraph (i) above, provided that if the end of such 20 Business Day period the relevant Chargor has used reasonable endeavours but has not been able to procure such acknowledgement, such obligation shall cease to apply.

6.9 Notice of Security: contracts

On or before the date falling one Business Day after:

- (a) the First Utilisation Date in relation to each Relevant Contract in existence on the First Utilisation Date; or
- (b) if later, the date of entry into of any Relevant Contract,

each Chargor shall:

- (i) deliver to the Security Agent a duly executed notice addressed to the relevant contract counterparty of the Security constituted by this Security Agreement, such notice being substantially in the form set out in Schedule 10 (*Contracts*); and
- (ii) use reasonable endeavours to procure from the relevant counterparty an acknowledgement in the form set out in such notice of security

within 20 Business Days of service of the notice referred to in paragraph (i) above, provided that if at the end of such 20 Business Day period the relevant Chargor has used reasonable endeavours but has not been able to procure such acknowledgement, such obligation shall cease to apply.

6.10 Notices of Security: other assets

Except to the extent already provided for in this Clause 6, each Chargor shall join the Security Agent in giving notices of security (in such form as may be specified by the Security Agent) in respect of any asset which is the subject of an assignment or charge pursuant to Clause 4 (*Fixed Security*) promptly upon the request of the Security Agent from time to time and will use reasonable endeavours to procure from each recipient of those notices, an acknowledgement in a form satisfactory to the Security Agent, **provided that** the Chargors shall not, prior to a Declared Default, be required to give notices of security in relation to any licences to guests or customers of the business operating from time to time at the Mortgaged Properties.

6.11 Delivery of share certificates

- (a) Each Chargor shall:
 - (i) subject to paragraph (b) below, on or before the First Utilisation Date, (i) deposit with the Security Agent (or procure the deposit of) all certificates or other documents of title to the Relevant Shares and stock transfer forms (executed in blank by it or on its behalf) or (ii) procure that the same are held to the order of the Security Agent subject to a solicitors' undertaking in form and substance satisfactory to the Security Agent and deposited with (or in accordance with the instructions of) the Security Agent within one Business Day of the First Utilisation Date; and
 - (ii) promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Relevant Shares (or upon acquiring any interest therein), notify the Security Agent of that occurrence and procure the delivery to the Security Agent of (a) all certificates or other documents of title representing such items and (b) such stock transfer forms or other instruments of transfer (executed in blank by it or on its behalf) in respect thereof as the Security Agent may request.
- (b) Each Chargor shall, in respect of the entire issued share capital of SACO Cannon Street Limited (the "**Transfer Shares**"):
 - (i) promptly, and in any event within 30 days of the date of this Security Agreement, submits the stock transfer forms transferring the Transfer Shares to SACO Serviced Apartments Holdings S.à r.l. (the "**Transfer STFs**") to HM Revenue and Customs for stamping, together with all application applications for stamp duty group relief (and payment of any applicable fees);

- (ii) use reasonable endeavours to seek updates from HM Revenue and Customs as to the process of the application for stamping in respect of the Transfer STFs; and
- (iii) as soon as reasonably practicable and in event no later than two (2) Business Days after SACO Serviced Apartments Holdings S.à r.l. (or any other Chargor or their respective advisors) receives the stamped Transfer STFs from HM Revenue and Customs, procure that all share certificates in respect of the Transfer Shares and related stock transfer forms (executed in blank by SACO Serviced Apartments Holdings S.à r.l. or on its behalf) are delivered to the Security Agent.

6.12 Deposit of title deeds

Each Chargor shall:

- (a) on or before the First Utilisation Date (and upon the acquisition by it of any interest in any Security Asset at any time) deposit (or procure the deposit) with the Security Agent all deeds, certificates and other documents constituting or evidencing title to the Security Assets (or procure that the same are held to the order of the Security Agent subject to a solicitors' undertaking in form and substance satisfactory to the Security Agent); and
- (a) deposit with the Security Agent at any time thereafter any further such deeds, certificates, instruments of transfer and other documents which evidence title, promptly upon coming into possession of any of those items (or procure that the same are held to the order of the Security Agent subject to a solicitors' undertaking in form and substance satisfactory to the Security Agent).

6.13 Application to HM Land Registry

Each Chargor hereby consents to an application being made to HM Land Registry to enter the following restriction in the Proprietorship Register of any registered land at any time forming part of the Real Property.

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [•] February 2018 in favour of RBC Europe Limited referred to in the charges register [or their conveyancer]."

6.14 Further advances

- (a) Subject to the terms of the Facilities Agreement, each Lender is under an obligation to make further advances to each Chargor and that obligation will be deemed to be incorporated in this Security Agreement as if set out in this Security Agreement.
- (b) Each Chargor consents to an application being made to HM Land Registry to enter the obligation to make further advances on the Charges Register of any registered land forming part of the Security Assets.

6.15 Assigned Loans

- (a) No Chargor shall sell, assign, transfer or otherwise dispose of its rights under any Assigned Loan or any Inter-company Loan Agreement other than to another Subordinated Creditor (as defined in the Facilities Agreement) and in circumstances where such transfer is either (i) made subject to the Security constituted by this Security Agreement or (ii) immediately following such transfer the relevant Subordinated Creditor (as defined in the Facilities Agreement) grants Security over that Assigned Loan or Inter-company Loan Agreement substantially on the terms of this Security Agreement.
- (b) The Security Agent shall not be under any obligation in relation to any Assigned Loan or any Inter-company Loan Agreement as a consequence of this Security Agreement and each Chargor shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Assigned Loans and each Inter-company Loan Agreement.

7. FURTHER ASSURANCE

- (a) The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in paragraph (b) below.
- (b) Each Chargor shall promptly, on the request of the Security Agent, and at its own cost, take all such action (including, to the extent applicable under English law, filings, registrations and notarisations and applying for relief against forfeiture) and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may specify (and in such form as the Security Agent may require), the Security Agent in each case acting reasonably, in favour of the Security Agent or its nominee(s) to:
 - (i) create, perfect, protect and/or maintain the Security created or intended to be created in respect of the Security Assets in accordance with the rights vested in it under this Security Agreement (which may include the execution by that Chargor of a mortgage, security, charge, assignation or assignment over all or any of the assets constituting, or intended to constitute, Security Assets) or for the exercise of any of the rights, powers and remedies of the Security Agent provided by or pursuant to this Security Agreement or by law;
 - (ii) enter into a Supplemental Mortgage in favour of the Security Agent over any Real Property in England and Wales not already the subject of a registrable legal mortgage created pursuant to Clause 4.1 (*Mortgage*);
 - (iii) confer on the Security Agent Security over any asset or undertaking of that Chargor located in any jurisdiction outside England and Wales equivalent or similar to the security intended to be conferred by or pursuant to this Security Agreement; and/or

- (iv) while a Declared Default is continuing, facilitate the realisation of the Security Assets.

8. SHARES AND INVESTMENTS

8.1 Voting rights prior to a Declared Default

Without prejudice to Clause 8.3 (*Shares: Voting rights*), at any time prior to the occurrence of a Declared Default, each Chargor shall be entitled to exercise or direct the exercise of the voting and other rights attached to any Shares provided that any exercise of rights does not adversely affect the validity or enforceability of the Security over the Shares or cause an Event of Default to occur.

8.2 Voting rights and dividends after a Declared Default

Upon the occurrence of a Declared Default, the Security Agent may, at its discretion, (in the name of the relevant Chargor or otherwise and without any further consent or authority from any Chargor):

- (a) exercise (or refrain from exercising) any voting rights in respect of the Relevant Shares;
- (b) apply all dividends, interest and other moneys arising from the Relevant Shares in accordance with Clause 14 (*Application of Moneys*);
- (c) transfer the Relevant Shares into the name of such nominee(s) of the Security Agent as it shall require; and
- (d) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Relevant Shares, including the right, in relation to any company whose shares or other securities are included in the Relevant Shares, to concur or participate in:
 - (i) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof);
 - (ii) the release, modification or variation of any rights or liabilities attaching to such shares or securities; and
 - (iii) the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in the manner and on the terms the Security Agent thinks fit, and the proceeds of any such action shall form part of the Relevant Shares.

8.3 Shares: Voting rights

No Chargor shall exercise (and shall procure that any nominee acting on its behalf does not exercise) its voting rights in relation to the Relevant Shares or other

Investments in any manner, or otherwise permit or agree to or concur or participate in any:

- (i) variation of the rights attaching to or conferred by all or any part of the Relevant Shares;
- (ii) (save in connection with a Permitted Share Issue) increase in the issued share capital of any company whose shares are charged pursuant to this Security Agreement;
- (iii) exercise, renunciation or assignment of any right to subscribe for any shares or securities; or
- (iv) reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof), in relation to any company whose shares or other securities are included in the Relevant Shares,

which in the opinion of the Security Agent would materially prejudice the value of, or would prejudice the ability of the Security Agent to realise, the Security created by this Security Agreement and provided that the proceeds of any such action shall form part of the Relevant Shares.

8.4 Investments and Shares: Payment of calls

The relevant Chargor shall pay when due all calls or other payments which may be or may become due in respect of any of the Relevant Shares or other Investments, and in any case of default by it in such payment, the Security Agent may, acting reasonably, make such payment on its behalf in which case any sums paid by the Security Agent shall be reimbursed by each Chargor to the Security Agent on demand and shall carry interest from the date of payment by the Security Agent until reimbursed at the rate from time to time applicable to unpaid sums specified in the Facilities Agreement.

8.5 Shares: PSC notices

Each relevant Chargor shall:

- (i) within the relevant timeframe, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from the issuer of any Relevant Share or other Investment; and
- (ii) promptly provide the Security Agent with a copy of any such notice.

8.6 Investments: Exercise of rights

No Chargor shall exercise any of its rights and powers in relation to any of the Investments in any manner which would, in respect of the Relevant Shares, materially prejudice their value, or, in respect of any Investment, prejudice the ability of the Security Agent to realise, the Security created by this Security Agreement.

9. ACCOUNTS

The Security Agent may, at any time on behalf of any Secured Party while this Security Agreement is enforceable in accordance with Clause 10 (*Enforcement of security*), without prior notice:

- (a) set-off, transfer or apply any Account and any other account which is the subject of the security created by this Security Agreement and any debt represented thereby in or towards satisfaction of all or any part of the Secured Liabilities; and
- (b) demand and receive all and any moneys due under or arising out of each Account which has been assigned by this Security Agreement and exercise all rights that any Chargor was then entitled to exercise in relation to that Account or might, but for the terms of this Security Agreement, exercise.

10. ENFORCEMENT OF SECURITY

10.1 Enforcement

The Security created by or pursuant to this Security Agreement is immediately enforceable upon the occurrence of a Declared Default and the Security Agent may, without notice to any Chargor or prior authorisation from any court, in its absolute discretion:

- (a) enforce all or any part of that Security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Security Assets (at the times, in the manner and on the terms it thinks fit (including whether for cash or non-cash consideration)); and
- (b) whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorities and discretions conferred by the Law of Property Act 1925 or the Conveyancing and Feudal Reform (Scotland) Act 1970 (as varied or extended by this Security Agreement) on mortgagees and creditors and by this Security Agreement on any Receiver or otherwise conferred by law on mortgagees, creditors or Receivers.

10.2 Effect of Moratorium

The Security Agent shall not be entitled to exercise its rights under Clause 10.1 (*Enforcement*) or Clause 5.2 (*Conversion of floating charge to fixed Security*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining or taking steps to obtain a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

11. EXTENSION OF POWERS AND RIGHT OF APPROPRIATION

11.1 Extension of powers

The power of sale or other disposal conferred on the Security Agent and on any Receiver by this Security Agreement shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such

power shall arise (and the Secured Liabilities shall be deemed due and payable for that purpose) on execution of this Security Agreement.

11.2 Restrictions

The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Security Agreement or to the exercise by the Security Agent of its right to consolidate all or any of the security created by or pursuant to this Security Agreement with any other security in existence at any time or to its power of sale, which powers may be exercised by the Security Agent without notice to any Chargor on or at any time after this Security Agreement has become enforceable in accordance with Clause 10 (*Enforcement of Security*).

11.3 Power of leasing

- (a) The statutory powers of leasing may be exercised by the Security Agent at any time on or after this Security Agreement has become enforceable in accordance with Clause 10 (*Enforcement of Security*) and the Security Agent and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with Sections 99 and 100 of the Law of Property Act 1925.
- (b) For the purposes of Sections 99 and 100 of the Law of Property Act 1925, the expression "Mortgagor" will include any incumbrancer deriving title under any Chargor and neither Sub-section (18) of Section 99 nor Sub-section (12) of Section 100 of the Law of Property Act 1925 will apply.
- (c) No Chargor shall have, at any time during the Security Period, the power pursuant to Section 99 of the Law of Property Act 1925 to make any lease in respect of any Real Property without the prior written consent of the Security Agent or as permitted pursuant to the terms of the Facilities Agreement.

11.4 Right of appropriation

To the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "**Regulations**") apply to a Security Asset, the Security Agent shall have the right to appropriate all or any part of that Security Asset in or towards the payment or discharge of the Secured Liabilities and may exercise such right to appropriate upon giving written notice to the Chargors. For this purpose, a commercially reasonable method of valuing a Security Asset shall be:

- (a) in the case of cash, the amount standing to the credit of each Account or to the credit of any other account with any bank, building society, financial institution or otherwise, together with any accrued but unposted interest, at the time of appropriation; and
- (b) in the case of any Investments or Shares, their market value determined by the Security Agent by reference to a public index, independent valuation or by such other process as the Security Agent may select.

In each case, the parties agree that the method of valuation provided for this Security Agreement shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

12. APPOINTMENT OF RECEIVER OR ADMINISTRATOR

12.1 Appointment and removal

After the Security created by or pursuant to this Security Agreement has become enforceable in accordance with Clause 10 (*Enforcement of security*), the Security Agent may by deed or otherwise (acting through an authorised officer of the Security Agent):

- (a) without prior notice to any Chargor:
 - (i) appoint one or more persons to be a Receiver of the whole or any part of the Security Assets; or
 - (ii) appoint two or more Receivers of separate parts of the Security Assets; or
 - (iii) remove (so far as it is lawfully able) any Receiver so appointed; or
 - (iv) appoint another person(s) as an additional or replacement Receiver(s); or
 - (v) appoint one or more persons to be an administrator of any Chargor pursuant to paragraph 14 of Schedule B1 of the Insolvency Act 1986; and
- (b) appoint one or more persons to be an administrator of any Chargor pursuant to paragraph 12 of Schedule B1 of the Insolvency Act 1986.

12.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 12.1 (*Appointment and removal*) shall be:

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver;
- (b) for all purposes deemed to be the agent of each Chargor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Agent; and
- (c) entitled to remuneration for his services at a rate to be fixed by the Security Agent from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925).

12.3 Statutory powers of appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Agent under the Law of Property Act 1925 (as extended by this Security Agreement) or otherwise and such powers shall remain exercisable from time to time by the Security Agent in respect of any part of the Security Assets.

13. POWERS OF RECEIVERS

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of any Chargor) have and be entitled to exercise, in relation to the Security Assets (and any assets which, when got in, would be Security Assets in respect of which he was appointed), and as varied and extended by the provisions of this Security Agreement (in the name of or on behalf of any Chargor or in his own name and, in each case, at the cost of that Chargor):

- (a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
- (b) all the powers of a heritable creditor or heritable creditor in possession conferred by the Conveyancing and Feudal Reform (Scotland) Act 1970 (as amended and extended by the Transaction Security);
- (c) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 and all the powers of a Scottish receiver set out in Schedule 2 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- (d) all the powers and rights of an absolute owner and power to do or omit to do anything which any Chargor itself could do or omit to do; and
- (e) the power to do all things (including bringing or defending proceedings in the name or on behalf of any Chargor) which seem to the Receiver to be incidental or conducive to:
 - (i) any of the functions, powers, authorities or discretions conferred on or vested in him;
 - (ii) the exercise of any rights, powers and remedies of the Security Agent provided by or pursuant to this Security Agreement or by law (including realisation of all or any part of the assets in respect of which that Receiver was appointed); or
 - (iii) bringing to his hands any assets of any Chargor forming part of, or which when got in would be, Security Assets.

14. APPLICATION OF MONEYS

All moneys received or recovered and any non-cash recoveries made or received by the Security Agent or any Receiver pursuant to this Security Agreement or the powers conferred by it shall (subject to the claims of any person having prior rights thereto

and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment or other discharge of the costs, charges and expenses incurred and payments made by the Receiver, the payment or other discharge of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Agent (notwithstanding any purported appropriation by any Chargor) in accordance with the terms of the Facilities Agreement.

15. PROTECTION OF PURCHASERS

15.1 Consideration

The receipt of the Security Agent or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Security Assets or making any acquisition, the Security Agent or any Receiver may do so for such consideration (whether cash or non-cash), in such manner and on such terms as it thinks fit.

15.2 Protection of purchasers

No purchaser or other person dealing with the Security Agent or any Receiver shall be bound to inquire whether the right of the Security Agent or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Agent or such Receiver in such dealings.

16. POWER OF ATTORNEY

16.1 Appointment and powers

Each Chargor by way of security irrevocably appoints the Security Agent and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect a Supplemental Mortgage over any Real Property not already the subject of a registrable legal mortgage pursuant to Clause 4.1 (*Mortgage*), and to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or necessary for the purpose of:

- (a) carrying out any obligation imposed on any Chargor by this Security Agreement or any other agreement binding on such Chargor to which the Security Agent is party (including the execution and delivery of any deeds, charges, securities, assignments, assignments or other security and any transfers of the Security Assets and perfecting and/or releasing the security created or intended to be created in respect of the Security Assets); or
- (b) enabling the Security Agent and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Security Agreement or by law (including, after this Security Agreement has become enforceable in accordance with Clause 10 (*Enforcement of security*), the exercise of any right of a legal or beneficial owner or heritable proprietor of the Security Assets),

provided that such power may only be exercised at any time on or after an Event of Default (other than in respect of any action required to serve any notice, make any

registration or otherwise act to perfect the Security, in which case such power may be exercised at any time after this Security Agreement has been entered into in circumstances where the relevant Chargor is obliged under the terms of this Security Agreement to take such action (excluding, prior to an Event of Default which is continuing, any obligation to use reasonable endeavours to take such action) and has failed to comply with the requirement to do so within the timeframe (if any) required under the terms of this Security Agreement).

16.2 Ratification

Each Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

17. EFFECTIVENESS OF SECURITY

17.1 Continuing security

- (a) The Security created by or pursuant to this Security Agreement shall remain in full force and effect as a continuing security for the Secured Liabilities until the expiry of the Security Period or as otherwise agreed between the Security Agent (acting on the instructions of the Lenders) and each Chargor in writing.
- (b) No part of the Security from time to time intended to be constituted by this Security Agreement will be considered satisfied or discharged by an intermediate payment, discharge or satisfaction of the whole or any part of the Secured Liabilities until the expiry of the Security Period.

17.2 Cumulative rights

The Security created by or pursuant to this Security Agreement shall be cumulative, in addition to and independent of every other Security which the Security Agent or any Secured Party may at any time hold for the Secured Liabilities or any other obligations or any rights, powers and remedies provided by law and shall operate as an independent security notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other Security. No prior Security held by the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Security Assets shall merge into the Security constituted by this Security Agreement.

17.3 No prejudice

The Security created by or pursuant to this Security Agreement shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to each Chargor or any other person, by the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties or by any variation of the terms of the trust upon which the Security Agent holds the security or by any other thing which might otherwise prejudice that Security.

17.4 Remedies and Waivers

No failure on the part of the Security Agent to exercise, nor any delay on its part in exercising, any right, power or remedy under this Security Agreement, shall operate as a waiver of that right, power or remedy or constitute an election to affirm this Security Agreement. No election to affirm this Security Agreement on the part of the Security Agent shall be effective unless it is in writing. The rights, powers and remedies provided in this Security Agreement are cumulative and not exclusive of any provided by law. No single or partial exercise of any right, power or remedy shall preclude any further or other exercise of that or any other right or remedy.

17.5 No liability

None of the Security Agent, its nominee(s) nor any Receiver shall be liable

- (a) to account as a mortgagee or mortgagee in possession, or creditor or creditor in possession; or
- (b) for any loss arising by reason of taking any action permitted by this Security Agreement or any neglect or default in connection with the Security Assets or taking possession of or realising all or any part of the Security Assets,

except in the case of gross negligence or wilful default upon its part.

17.6 Partial invalidity

If, at any time, any provision of this Security Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Security Agreement nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Security Agreement is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

17.7 Waiver of defences

The obligations of, and the Security created by, each Chargor under this Security Agreement and the rights and remedies provided by this Security Agreement will not be affected by any act, omission, matter or thing which, but for this Clause 17.7, would reduce, release or prejudice any of its obligations under, or the Security created by, this Security Agreement and whether or not known to that Chargor or any Secured Party including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any Obligor;
- (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 assets of, any Obligor or other person or any non-presentation or non-

observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;

- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of, any Obligor or any other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Finance Document or any other document or security or of the Secured Liabilities (including, without limitation, any change in the purpose of, any extension of, or any variation or increase in any facility or amount made available under any facility or the addition of any new facility under any Finance Document or other documents);
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security or of the Secured Liabilities; and
- (g) any insolvency or similar proceedings.

17.8 Chargor intent

Without prejudice to the generality of Clause 17.7 (*Waiver of Defences*), each Chargor expressly confirms that it intends that the Security created under this Security Agreement and the rights and remedies arising thereunder, shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) 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 investor 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 such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

17.9 Immediate recourse

Each Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any other person before claiming from any Chargor under this Security Agreement. This waiver applies irrespective of any law or any provision of this Security Agreement to the contrary.

17.10 Deferral of rights

Until the end of the Security Period, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Security Agreement:

- (a) to be indemnified by an Obligor;

- (b) to claim any contribution from any guarantor of any Obligor's obligations under this Security Agreement;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of the Secured Parties under this Security Agreement or of any other guarantee or Security taken pursuant to, or in connection with, this Security Agreement by any Secured Party
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Obligor has given a guarantee, undertaking or indemnity under any Finance Document;
- (e) to exercise any right of set-off against any Obligor; or
- (f) to claim or prove as a creditor of any Obligor in competition with any Secured Party.

If each Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to any Secured Party by the Obligors under or in connection with this Security Agreement to be repaid in full on trust for or for the benefit of the Security Agent and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Clause 14 (*Application of Moneys*).

18. PRIOR SECURITY INTERESTS

- (a) In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Security Assets or in case of exercise by the Security Agent or any Receiver of any power of sale under this Security Agreement, the Security Agent may redeem such prior Security or procure the transfer thereof to itself.
- (b) The Security Agent may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on each Chargor.
- (c) All principal moneys, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by each Chargor to the Security Agent on demand together with accrued interest thereon as well as before judgment at the rate from time to time applicable to unpaid sums specified in the Facilities Agreement from the time or respective times of the same having been paid or incurred until payment thereof (as well as after as before judgment).

19. SUBSEQUENT SECURITY INTERESTS

If the Security Agent acting in its capacity as trustee or otherwise or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent Security, assignment or transfer affecting all the Security Assets or any part of the Security Assets which is prohibited by the terms of any Finance Document,

all payments thereafter by or on behalf of that Chargor to the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties will (in the absence of any express contrary appropriation by that Chargor) be credited or treated as having been credited to a new account of that Chargor and not as having been applied in reduction of the Secured Liabilities at the time that notice was received.

20. SUSPENSE ACCOUNTS

On or after the occurrence of a Declared Default, all moneys received, recovered or realised by the Security Agent under this Security Agreement (including the proceeds of any conversion of currency) may in the discretion of the Security Agent be credited to any interest bearing suspense or impersonal account(s) maintained with a bank, building society, financial institution or other person as it considers appropriate (including itself) for so long as it may think fit (the interest being credited to the relevant account) pending their application from time to time at the Security Agent's discretion, in or towards the discharge of any of the Secured Liabilities and save as provided herein no party will be entitled to withdraw any amount at any time standing to the credit of any suspense or impersonal account referred to above.

21. RELEASE OF SECURITY

21.1 Release of Security

Upon the expiry of the Security Period, or as contemplated under the terms of the Facilities Agreement, the Security Agent shall, at the request and cost of each Chargor, promptly (in accordance with any agreed completion arrangements) release and cancel the security constituted by this Security Agreement and procure the reassignment to that Chargor of the property and assets assigned to the Security Agent pursuant to this Security Agreement, in each case without recourse to, or any representation or warranty by the Security Agent or any of its nominees.

21.2 Clawback

If the Security Agent considers that any amount paid or credited to any Secured Party is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of each Chargor under this Security Agreement and the Security constituted by that document will continue and such amount will not be considered to have been irrevocably discharged.

22. SET-OFF

Each Chargor authorises the Security Agent (but the Security Agent shall not be obliged to exercise such right), after the occurrence of an Event of Default which is continuing, to set off against the Secured Liabilities any amount or other obligation (contingent or otherwise) owing by the Security Agent to each Chargor and apply any credit balance to which each Chargor is entitled on any account with the Security Agent in accordance with Clause 14 (*Application of Moneys*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

23. DISCRETION AND DELEGATION

23.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Security Agreement by the Security Agent or any Receiver may, subject to the terms and conditions of the Facilities Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

23.2 Delegation

Each of the Security Agent and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Security Agreement (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise, any subsequent delegation or any revocation of such power, authority or discretion by the Security Agent or the Receiver itself.

24. TRANSFERS

No Chargor may assign or otherwise transfer any of its rights and obligations under this Security Agreement.

25. SUCCESSORS

25.1 Security Agent successors

This Security Agreement shall remain in effect despite any amalgamation or merger (however effected) relating to the Security Agent, and references to the Security Agent shall include any transferee, assignee or successor in title of the Security Agent and any person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of the Security Agent under this Security Agreement or to which, under such laws, those rights and obligations have been transferred.

25.2 Disclosure

The Security Agent shall be entitled to disclose such information concerning any Chargor or any other person and this Security Agreement as the Security Agent considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by applicable law.

26. GOVERNING LAW

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

27. JURISDICTION

27.1 English courts

The courts of England have exclusive jurisdiction to settle any dispute arising out of, or in connection with this Security Agreement (including a dispute relating to the existence, validity or termination of this Security Agreement or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Security Agreement) (a "**Dispute**").

27.2 Convenient Forum

Each Chargor agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly that no Chargor will argue to the contrary.

27.3 Exclusive Jurisdiction

Notwithstanding Clause 27.1 (*English courts*), the Security Agent may take proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Security Agent may take concurrent proceedings in any number of jurisdictions.

THIS SECURITY AGREEMENT has been executed as, and is intended to take effect as, a deed by each Chargor and has been signed by the Security Agent on the date written on the first page of this Security Agreement.

Chargors

OCM LUXEMBOURG LEMAN STREET APART-HOTEL S.À R.L., a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of Luxembourg, having its registered office at 26A, boulevard Royal L-2449 Luxembourg and registered with the Luxembourg Register of Commerce and Companies (*Registre de commerce et des sociétés, Luxembourg*) under number B.181067

EXECUTED AS A DEED on behalf of)
OCM LUXEMBOURG LEMAN STREET)
APART-HOTEL S.À R.L.,
a company incorporated in Luxembourg,
acting by

_____)
_____)
who, in accordance with the laws of)
that territory is)
acting under the authority of the company)

Name:

Title:

In the presence of

Witness' signature:

Name:

Address:

OCM LUXEMBOURG GEORGE STREET APART-HOTEL S.À R.L., a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of Luxembourg, having its registered office at 26A, boulevard Royal L-2449 Luxembourg and registered with the Luxembourg Register of Commerce and Companies (*Registre de commerce et des sociétés, Luxembourg*) under number B.188471

EXECUTED AS A DEED on behalf of)
OCM LUXEMBOURG GEORGE)
STREET APART-HOTEL S.À R.L.,
a company incorporated in Luxembourg,
acting by

_____)
who, in accordance with the laws of)
that territory is)
acting under the authority of the company)

Name:

Title:

In the presence of

Witness' signature:

Name:

Address:

SACO SERVICED APARTMENTS HOLDINGS S.À R.L., a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of Luxembourg, having its registered office at 26A, boulevard Royal L-2449 Luxembourg and registered with the Luxembourg Register of Commerce and Companies (*Registre de commerce et des sociétés, Luxembourg*) under number B.219912

EXECUTED AS A DEED on behalf of)
SACO SERVICED APARTMENTS)
HOLDINGS S.À R.L.,
a company incorporated in Luxembourg,
acting by

_____)
_____)
who, in accordance with the laws of)
that territory is)
acting under the authority of the company)

Name:

Title:

In the presence of

Witness' signature:

Name:

Address:

EXECUTED AS A DEED on behalf of)
SACO SERVICED APARTMENTS B.V.)
a company incorporated in The Netherlands,
acting by

_____)
_____)
who, in accordance with the laws of)
that territory is)
acting under the authority of the company)

Name:

In the presence of

Witness' signature:

Name:

Address:

SACO – TARGET SECURITY AGREEMENT

EXECUTED AS A DEED on behalf of)
SACO CANNON STREET LIMITED)

acting by a director

 Signature of director

Lauren Okada Name of director

in the presence of:

 Signature of witness

DANIEL PAUL Name of witness

Address of witness

KIRKLAND AND ELLIS INTERNATIONAL LLP
30 ST. MARY AXE
LONDON
EC3A 8AF

EXECUTED AS A DEED on behalf of)
APARTHOTEL LEASING LIMITED)

acting by a director

 Signature of director

Lauren Okada Name of director

in the presence of:

 Signature of witness

DANIEL PAUL Name of witness

Address of witness
KIRKLAND AND ELLIS INTERNATIONAL LLP
30 ST. MARY AXE
LONDON
EC3A 8AF

SACO – TARGET SECURITY AGREEMENT

EXECUTED AS A DEED on behalf of)
SACO GROUP HOLDINGS LIMITED)

acting by a director



Signature of director

Lauren Okada

Name of director

in the presence of:



Signature of witness

DANIEL PAUL

Name of witness

Address of witness

KIRKLAND AND ELLIS INTERNATIONAL LLP
30 ST. MARY AXE
LONDON
EC3A 8AF

Security Agent

Signed by)
RBC EUROPE LIMITED)
for and on its behalf)
by its duly authorised)
Officer)

In the presence of

Witness' signature:

Name:

Address:

**SCHEDULE 1
CHARGORS**

Name	Jurisdiction	Company Number
OCM Luxembourg Leman Street Apart-Hotel S.à r.l.	Luxembourg	B.181067
OCM Luxembourg George Street Apart-Hotel S.à r.l.	Luxembourg	B.188471
SACO Serviced Apartments Holdings S.à r.l.	Luxembourg	B.219912
SACO Cannon Street Limited	England and Wales	09175058
SACO Group Holdings Limited	England and Wales	08372228
Aparthotel Leasing Limited	England and Wales	11213890
SACO Serviced Apartments B.V.	The Netherlands	61284904

SCHEDULE 2
MORTGAGED PROPERTY

	Chargor Name	Property Description	Title Number(s)
1.	OCM Luxembourg Leman Street Apart-Hotel S.à r.l.	Freehold land being 15 Leman Street, London E1 8EN	LN123773
2.	OCM Luxembourg Leman Street Apart-Hotel S.à r.l.	Freehold land being 17 Leman Street, London E1 8EN	356334
3.	OCM Luxembourg Leman Street Apart-Hotel S.à r.l.	Freehold land on the north side of Buckle Street, London	262900
4.	OCM Luxembourg Leman Street Apart-Hotel S.à r.l.	Freehold land being 1a Buckle Street, London E1 8EH	283765
5.	SACO Cannon Street Limited	The leasehold land being 27 Garlick Hill, London, EC4V 2BA demised by the lease dated 29 July 2016 made between (1) Eagle Crest Business Holdings Limited (2) SACO Cannon Street Limited (3) SACO Group Holdings Limited	AGL385740
6.	SACO Cannon Street Limited	The leasehold land being 40-42 Cannon Street, 44 – 46 (Even) Cannon Street and 13,14, and 15 Great St Thomas Apostle Street, London EC4N 6JJ demised by the lease dated 29 July 2016 between (1) HSBC Bank Pension Trust (UK) Limited (2) SACO Cannon Street Limited and (3) SACO Group Holdings Limited	AGL385738

SCHEDULE 3
RELEVANT SHARES

	Company in which shares are held	Registration Number	Chargor	Number and class of shares
	SACO Group Holdings Limited	08372228	SACO Serviced Apartments Holdings S.à r.l.	700,000 A Ordinary Shares of £0.01 each 300,000 B Ordinary Shares of £0.01 each 52,630 C Ordinary Shares of £0.01 each
	SACO Cannon Street Limited	09175058	SACO Serviced Apartments Holdings S.à r.l.	1 Ordinary Share of £1
	Aparthotel Leasing Limited	11213890	SACO Serviced Apartments Holdings S.à r.l.	1 Ordinary Share of £1

SCHEDULE 4
RESTRICTED CONTRACTS

No.	Description of asset	Date
1.	JCT Minor Works Contract 2011 edition between (1) OCM Luxembourg Leman Street Apart-Hotel S.À R.L. and (2) Wrenspire Projects Limited	11 September 2017
2.	JCT Minor Works Contract 2011 edition between (1) OCM Luxembourg Leman Street Apart-Hotel S.À R.L. and (2) Wrenspire Projects Limited	11 September 2017
3.	Appointment of Town Planning Services Consultant on a monthly retainer between (1) OCM Luxembourg Leman Street Apart-Hotel S.À R.L. and (2) Barton Wilmore	27 May 2016
4.	Appointment of Architect between (1) OCM Luxembourg Leman Street Apart-Hotel S.À R.L. and (2) Aros Limited (pursuant to a Framework Agreement)	12 December 2017
5.	Appointment of Architect between (1) SACO Cannon Street Ltd and (2) Atkins Walters & Webster Limited	11 February 2015
6.	Appointment of Acoustic Engineer between (1) SACO Cannon Street Ltd and (2) Hoare Lea and Partners (pursuant to a Memorandum of Agreement between the Consultant and an Affiliate of the Employer under the appointment).	Appointment: 11 February 2015 Memorandum: 24 September 2014
7.	Appointment of Approved Inspector between (1) SACO Cannon Street Ltd and (2) Buckley-Lewis Partnership Limited (pursuant to a Memorandum of Agreement between the Consultant and an Affiliate of the Employer under the appointment).	Appointment: 11 February 2015 Memorandum: 2 July 2014
8.	Appointment of Project Manager between (1) SACO Cannon Street Ltd and (2) DFE Projects Limited	18 February 2015
9.	Architect collateral warranty in favour of SACO Group Holdings Limited between (1) Atkins Walters & Webster Limited (2) SACO Group Holdings Limited and (3) SACO Cannon Street Ltd	11 February 2015
10.	Structural Engineer's collateral warranty in favour of SACO Group Holdings Limited between (1) Clarkebond (UK) Limited (2) SACO Group Holdings Limited and (3) SACO Cannon Street Ltd	11 February 2015
11.	Contract Administrator's and Employer's Agent's collateral warranty in favour of SACO Group Holdings Limited between (1) Sweett (UK) Limited (2) SACO Group Holdings Limited and (3) SACO Cannon Street Ltd	11 February 2015
12.	Building Services Engineer's collateral warranty in favour of SACO Group Holdings Limited between (1) Building Services Solutions (Western) Limited (2) SACO Group Holdings Limited and (3)	11 February 2015

No.	Description of asset	Date
	SACO Cannon Street Ltd	
13.	Quantity Surveyor's collateral warranty in favour of SACO Group Holdings Limited between (1) Sweett (UK) Limited (2) SACO Group Holdings Limited and (3) SACO Cannon Street Ltd	11 February 2015
14.	CDM Co-ordinator's collateral warranty in favour of SACO Group Holdings Limited between (1) Sweett (UK) Limited (2) SACO Group Holdings Limited and (3) SACO Cannon Street Ltd	11 February 2015
15.	Approved Inspector's collateral warranty in favour of SACO Group Holdings Limited between (1) Buckley-Lewis Partnership Limited (2) SACO Group Holdings Limited and (3) SACO Cannon Street Ltd	11 February 2015
16.	Acoustic Engineer's collateral warranty in favour of SACO Group Holdings Limited between (1) Hoare Lea and Partners (2) SACO Group Holdings Limited and (3) SACO Cannon Street Ltd	11 February 2015
17.	Contractor's collateral warranty in favour of SACO Group Holdings Limited between (1) Lagan Building Contractors Limited (2) SACO Group Holdings Limited and (3) SACO Cannon Street Ltd	1 June 2015
18.	Contractor's collateral warranty in favour of SACO Group Holdings Limited between (1) Redhammer Demolition Limited (2) SACO Group Holdings Limited and (3) SACO Cannon Street Ltd	29 April 2015
19.	Contractor's collateral warranty in favour of SACO Group Holdings Limited between (1) David Fear Electrical Contractors Limited (2) SACO Group Holdings Limited and (3) SACO Cannon Street Ltd	27 March 2015
20.	Contractor's collateral warranty in favour of SACO Group Holdings Limited between (1) Derry Limited (2) SACO Group Holdings Limited and (3) SACO Cannon Street Ltd	27 March 2015
21.	Purchasing Agent Agreement between (1) Benjamin West International LLP and (2) SACO Serviced Apartments B.V.	29 March 2017
22.	Services Agreement between (1) Hyperoptic Limited and (2) OCM Luxembourg George Street Apart-Hotel S.à r.l.	12 April 2016

**SCHEDULE 5
HEADLEASES**

**PART A
NOTICE OF SECURITY**

To: [Landlord]

Date: [•]

Dear Sirs,

We give you notice that, by a Security Agreement dated [•] February 2018 we have granted a first legal mortgage over [*insert details of the property*] (the "**Property**") and assigned by way of security in favour of RBC Europe Limited (the "**Security Agent**") as trustee for or for the benefit of the Secured Parties all our rights, title and interest in and to the [*describe Headlease (date/term/parties/premises)*] (including all moneys payable thereunder and the proceeds of all claims and judgments for breach of covenant) (the "**Headlease**").

We will remain liable to perform all our obligations under the Headlease and the Security Agent is under no obligation of any kind whatsoever under the Headlease nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Headlease.

We irrevocably request and authorise you to:

- (a) disclose to the Security Agent, without further approval from us, such information regarding the Headlease as the Security Agent may from time to time request and to send it copies of all notices issued by you under the Headlease; and
- (b) notify the Security Agent, without further approval from us, in the event of a breach by us of any of the terms of the Headlease or any other right for you to terminate or forfeit the Headlease arising.

Please note that:

- 1. all remedies provided for under the Headlease or available at law or in equity are exercisable by, or at the direction of, the Security Agent; and
- 2. all rights, title and interest whatsoever accruing to or for the benefit of us arising under the Headlease (including all rights to compel performance) belong to, and are exercisable by, or at the direction of, the Security Agent.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Agent (with a copy to us).

Yours faithfully

[Chargor Name]

PART B
ACKNOWLEDGEMENT OF NOTICE OF SECURITY

To: RBC Europe Limited as Security Agent

Date: [•]

Dear Sirs

We confirm receipt of a notice dated [•] 2018 of security created by [*Chargor Name*] (the "**Chargor**") in favour of RBC Europe Limited (the "**Security Agent**") over all of the Chargor's rights, title and interest in and to the Headlease (as specified in that notice) to which we are a party.

We confirm that:

1. we will comply with the terms of such notice; and
2. we have not received notice of any other assignment or charge (whether legal, equitable, fixed or floating) of the Chargor's rights under the Headlease or any other mortgage or charge (whether legal, equitable, fixed or floating) over the Property.

We further confirm that:

3. we will not take any formal or informal steps or action to forfeit, rescind or terminate the Headlease until we have given the Security Agent 30 days' written notice, specifying:
 - (i) the proposed date of forfeiture, rescission or termination;
 - (ii) a summary of the grounds for forfeiture, rescission or termination in reasonable detail (including in sufficient detail to enable the Security Agent to establish what action is necessary to remedy the breach entitling us to take such action); and
 - (iii) the amount (expressed as a figure in sterling), if any, together with a breakdown of such amount owed by the Chargor to us and details of any existing unperformed obligations or liabilities under the Headlease,and giving the Security Agent a further 30 days from the date of such notice (or such longer time as may be reasonable in view of the nature of the breach) to remedy the breach;
4. the Chargor will remain liable to perform all its obligations under the Headlease and the Security Agent is under no obligation of any kind whatsoever under the Headlease nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the Headlease; and

5. we will promptly give notice of any breach or default on the part of the Chargor of any of the terms of the Headlease to the Security Agent specifying how to make good that breach or default.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Yours faithfully

[Headlease holder]

cc. *[Chargor Name]*

**SCHEDULE 6
OCCUPATIONAL LEASES AND INSURANCES**

**PART A
NOTICE OF SECURITY: OCCUPATIONAL LEASES**

To: [Tenant]

Date: [•] 2018

Dear Sirs,

We give you notice that, by a Security Agreement dated [•] February 2018, we have created security by way of equitable assignment in favour of RBC Europe Limited (the "**Security Agent**") as trustee for or for the benefit of the Secured Parties over all our rights, title and interest in and to the [*describe Lease (date/term/parties/premises)*] (including all moneys payable thereunder and the proceeds of all claims and judgments for breach of covenant) (the "**Lease**").

We will remain liable to perform all our obligations under the Lease and the Security Agent is under no obligation of any kind whatsoever under the Lease nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Lease.

Please note that:

1. all remedies provided for under the Lease or available at law or in equity are exercisable by, or at the direction of, the Security Agent; and
2. all rights, title and interest whatsoever accruing to or for the benefit of us arising under the Lease (including all rights to compel performance) belong to, and are exercisable by, or at the direction of, the Security Agent.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Agent with a copy to us.

Yours faithfully

[Chargor Name]

PART B
NOTICE OF SECURITY: INSURANCES

To: [Insurer]

Date: [•] 2018

Dear Sirs,

We give you notice that, by a Security Agreement dated [•] February 2018, we have created security by way of equitable assignment in favour of RBC Europe Limited (the "**Security Agent**") as trustee for or for the benefit of the Secured Parties over all our rights, title and interest in, and to the [*describe Insurances including policy number*] effected by us or on our behalf in relation to the risk to [*describe Property*] (including all moneys payable thereunder, proceeds of all claims, awards and judgments) and all other insurances entered into supplemental to or in replacement of such policy of insurance (the "**Policy**").

We will remain liable to perform all our obligations under the Policy and the Security Agent is under no obligation of any kind whatsoever under the Policy nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Policy.

With effect from your receipt of this notice we irrevocably instruct and authorise you to:

- (a) make all payments and claims in excess of £[•] (other than claims in respect of public liability or otherwise owed to a third party) under or arising from the Policy to the account called "[*Chargor Name*] – [Prepayment] Account", Account number [•] sort code [•];
- (b) name the Security Agent as composite insured and in respect of any claim or series of connected claims in excess of £[•] (other than claims in respect of public liability or otherwise owed to a third party) first loss payee on the Policy; and
- (c) disclose to the Security Agent, without further approval from us, such information regarding the Policy as the Security Agent may from time to time request and to send it copies of all notices issued by you under the Policy.

Please note that:

- 1. all remedies provided for under the Policy or available at law or in equity are exercisable by the Security Agent; and
- 2. all rights, title and interest whatsoever accruing to or for the benefit of us arising under the Policy (including all rights to compel performance) belong to, and are exercisable by or at the direction of, the Security Agent.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales. Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Agent with a copy to us.

SACO – TARGET SECURITY AGREEMENT

Yours faithfully

[*Chargor Name*]

PART C
ACKNOWLEDGEMENT OF NOTICE OF SECURITY

To: RBC Europe Limited as Security Agent

Date: [•]

Dear Sirs

We confirm receipt of a notice dated [•] February 2018 of security created by [*Chargor Name*] (the "**Chargor**") in favour of RBC Europe Limited (the "**Security Agent**") over all of the Chargor's rights, title and interest in and to the [Lease/Policy] (as specified in that notice) to which we are a party.

We confirm that:

- (a) we will comply with the terms of such notice; and
- (b) we have not received notice of any prior security over, or interest of any third party in, the [Lease/Policy].

We further confirm that:

- 1. [*Insurances and Leases*: no amendment, waiver or release of any such rights, interests and benefits will be effective without the prior written consent of the Security Agent;]
- 2. no termination of such rights, title and interest will be effective unless we have given the Security Agent 21 days' written notice of the proposed termination, specifying the action necessary to avoid such termination; [and]
- 3. the Chargor will remain liable to perform all its obligations under the [Lease/Policy] and the Security Agent is under no obligation of any kind whatsoever under the [Lease/Policy] nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the [Lease/Policy][.]; and]
- 4. [*Insurances*: no breach or default on the part of the Chargor of any of the terms of such Policy will be deemed to have occurred unless we have given notice of that breach to the Security Agent specifying how to make good that breach.]

We confirm that we have made all necessary arrangements for all future payments payable under the [Lease/Policy] to be made into the account specified in the notice.

[*Insurances*: We confirm that we have made all necessary arrangements for the Security Agent to be named as composite insured and [in respect of any claim or series of connected claims in excess of £[•] (other than in respect of any claim under any public liability and third party liability insurances) first loss payee on the Policy.

[*Insurances*: We have not claimed or exercised, and waive all future rights to claim or exercise, any rights of set-off, lien, counterclaim or other similar right now or in the future relating to the Policy.]

SACO – TARGET SECURITY AGREEMENT

This letter and all non-contractual obligations arising out of or in connection with are governed by and will be construed in accordance with the laws of England and Wales.

Yours faithfully

[Headlease holder/Tenant/Insurer]

cc. *[Chargor Name]*

**SCHEDULE 7
ACCOUNTS**

**PART A
NOTICE OF SECURITY TO ACCOUNT BANK**

To: [Account bank]

Date: [•] February 2018

Dear Sirs

We give you notice that, by a Security Agreement dated [•] February 2018, we have created security by way of equitable assignment in favour of RBC Europe Limited (the "**Security Agent**") as trustee for or for the benefit of the Secured Parties over any accounts and all moneys (including interest) from time to time standing to the credit of the accounts listed below and the debt or debts represented thereby.

The accounts maintained with you are:

Account Name: [Debt Service Account]

Sort Code: [•]

Account No: [•]

Account Name: [Prepayment Account]

Sort Code: [•]

Account No: [•]

Account Name: [Cash Trap Account]

Sort Code: [•]

Account No: [•]

Account Name: [Equity Cure Account]

Sort Code: [•]

Account No: [•]

Account Name: [Collection Account]

Sort Code: [•]

Account No: [•]

Account Name: [FF&E Reserve Account]

Sort Code: [•]

Account No: [•]

Account Name: [General Account]

Sort Code: [•]

Account No: [•]

In respect of the Debt Service Account, Prepayment Account, Cash Trap Account and Equity Cure Account with effect from the date of your receipt of this notice:

- (a) any existing payment instructions affecting the above Accounts are to be terminated and all payments and communications in respect of the Accounts should be made to the Security Agent or to its order (with a copy to us); and
- (b) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Accounts are exercisable by, or at the direction of, the Security Agent.

In respect of the General Account, Collection Account and FF&E Reserve Account we further instruct and authorise you to act only in accordance with the Security Agent's instructions following receipt by you of a notice of the occurrence of an Event of Default issued by the Security Agent. Until such notice is received by you, we are authorised by the Security Agent to receive, withdraw or otherwise transfer any credit balance from time to time on such accounts.

We irrevocably instruct and authorise you to disclose to the Security Agent without any reference to or further authority from us and without any inquiry by you as to the justification for such disclosure, such information relating to any accounts maintained with you from time to time as the Security Agent may request you to disclose to it.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Agent with a copy to us.

Yours faithfully

[Chargor Name]

PART B
ACKNOWLEDGEMENT OF SECURITY BY ACCOUNT BANK

To: RBC Europe Limited as Security Agent

Date: [•] February 2018

Dear Sirs

We confirm receipt of a notice dated [•] February 2018 of security created by [*Chargor Name*] (the "**Chargor**") in favour of RBC Europe Limited (the "**Security Agent**") over all moneys (including interest) from time to time standing to the credit of the Chargor's accounts (as specified in that notice) (the "**Accounts**") which are maintained with us and the debt or debts represented thereby.

We confirm that:

- (a) we will comply with the terms of that notice; and
- (b) we have not received notice of any prior security over or interest of any third party in any of the Accounts. We confirm that we will not, without the Security Agent's prior written consent, amend or vary any rights attaching to the Accounts.

We will act only in accordance with the instructions given by persons authorised by the Security Agent and we shall send all statements and other notices given by us relating to the Account to the Security Agent.

We unconditionally and irrevocably waive all rights of set-off, lien, combination or consolidation of accounts, security and similar rights (however described) which we may have now or in the future in respect of each of the Accounts or the balance thereon to the extent that such rights relate to amounts owed to us by the Chargor.

This letter and all non-contractual obligations arising out of or in connection with are to be governed by and will be construed in accordance with the laws of England and Wales.

Yours faithfully

[*Account bank*]

cc. [*Chargor Name*]

**SCHEDULE 8
ASSIGNED LOANS**

**PART A
NOTICE OF ASSIGNMENT**

To: [Name of counterparty to Inter-company Loan as Borrower]

Date: [•]

Dear Sirs,

We give you notice that by a Security Agreement dated [•] February 2018 we have created security by way of equitable assignment in favour of RBC Europe Limited (the "**Security Agent**") over all our rights, title and interest in and to all moneys payable by you to us in respect of [*details of relevant inter-company loan/describe loan agreement*] and all payments by you to us arising under it (the "**Inter-company Loan**").

We shall continue to be solely responsible for the performance of our obligations under or in connection with the Inter-company Loan and the Security Agent is under no obligation of any kind whatsoever under the Inter-company Loan nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Inter-company Loan.

We will also remain entitled to all our rights, powers, remedies and discretions under the Inter-company Loan, and you should continue to give notices under the Inter-company Loan to us, unless and until you receive notice from the Security Agent to the contrary stating that the security has become enforceable. In this event:

- (a) all such rights, powers, remedies and discretions will be exercisable by, and notices must be given to, the Security Agent or as it directs;
- (b) arising from the Payments shall be exercisable by, or at the direction of, the Security Agent; and
- (c) all remedies in respect of the Inter-company Loan shall be exercisable by the Security Agent,

You are authorised and instructed, without requiring further approval from us, to provide the Security Agent with such information relating to the Inter-company Loan as it may from time to time request and to send copies of all notices issued by you under the Inter-company Loan Agreement to the Security Agent as well as to us.

These instructions may not be revoked, nor may the terms of the Inter-company Loan Agreement be amended, varied, waived or terminated, without the prior written consent of the Security Agent.

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

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

SACO – TARGET SECURITY AGREEMENT

Yours faithfully,

For and on behalf of

[Name of Chargor party to Inter-company Loan as lender]

PART B
ACKNOWLEDGEMENT OF ASSIGNMENT

To: RBC Europe Limited as Security Agent

Date: [•]

Dear Sirs

We confirm receipt of a notice dated [•] of security created by [*Name of Chargor party to Inter-company Loan as lender*] (the "**Chargor**") in favour of RBC Europe Limited as Security Agent over all of the Chargor's rights, title and interest in and to the Inter-company Loan described in that notice.

We confirm that we will comply with the terms of the notice received from the Chargor and that we have not received notice of any prior security over, or interest of any third party in, the Inter-company Loan.

We further confirm that:

- (a) we will comply with the terms of that notice until we receive written notification from you to the contrary.
- (b) we have not claimed or exercised, and waive all future rights to claim or exercise, any rights of set-off, lien, counterclaim or other similar right now or in the future relating to the Inter-company Loan; and
- (c) no amendment, waiver, release or termination of any rights, interests and benefits in and to Inter-company Loan shall be effective without your prior written consent.

For and on behalf of [*Name of counterparty to Inter-company Loan as Borrower*]

By:

Dated:

**SCHEDULE 9
HEDGING AGREEMENTS**

**PART A
NOTICE OF ASSIGNMENT**

To: [Hedge Counterparty]

Date: [•]

Dear Sirs,

We give you notice that by a Security Agreement dated [•] February 2018 we have created security by way of equitable assignment in favour of RBC Europe Limited (the "**Security Agent**") over all our rights, title and interest in and to *[details of relevant Hedging Agreement]* (including all monies payable thereunder[, but subject to the application of any rights of set-off or netting provided for thereunder]) *[TBC following confirmation of hedging strategy]* (the "**Hedging Agreement**").

We shall continue to be solely responsible for the performance of our obligations under or in connection with the Hedging Agreement and the Security Agent is under no obligation of any kind whatsoever under the Hedging Agreement nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Hedging Agreement.

With effect from the date of your receipt of this notice:

- (a) all payments by you to us under or arising from the Hedging Agreement shall be paid to the Debt Service Account of *[insert name of Chargor that holds applicable Debt Service Account]*, or otherwise at the direction of the Security Agent, as it may specify in writing from time to time;
- (b) all remedies provided for in the Hedging Agreement or available at law or in equity shall be exercisable by, or at the direction of, the Security Agent; and
- (c) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising under the Hedging Agreements shall be exercisable by, or at the direction of, the Security Agent[,

[in each case, subject to the application of any rights of set-off or netting provided for in the Hedging Agreement]

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

This notice and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

Yours faithfully,

For and on behalf of

[Chargor Name]

PART B
ACKNOWLEDGEMENT OF ASSIGNMENT

To: RBC Europe Limited (as "**Security Agent**")

Date: [•]

Dear Sirs

We confirm receipt of a notice dated [•] 2018 of security created by [*Chargor Name*] (the "**Chargor**") in favour of RBC Europe Limited (the "**Security Agent**") of all the Chargor's rights, title and interest in and to the Hedging Agreement (as specified in that notice).

We confirm that:

- (a) we will comply with the terms of such notice; and
- (b) we have not received notice of any prior security over, or the interest of any third party in, the Hedging Agreement.

We further acknowledge:

- 1. no amendment, waiver or release of any rights, title and interest arising under the Hedging Agreement will be effective without the prior written consent of the Security Agent;
- 2. the right to exercise certain rights, title and interest (including certain termination rights) is subject to clause 8.3 (*Hedging*) of the Facilities Agreement (as defined in the Security Agreement);
- 3. no termination of such rights, title and interest will be effective unless we have given the Security Agent 21 days' written notice of the proposed termination and specifying the action necessary to avoid such termination; and
- 4. the Chargor will remain liable to perform all its obligations under the Hedging Agreement and the Security Agent is under no obligation of any kind whatsoever under the Hedging Agreement nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the Hedging Agreement.

We have not claimed or exercised, and waive all future rights to claim or exercise, any rights of set-off, lien, counterclaim or other similar right now or in the future relating to amounts owed to us by the Chargor (and the proceeds thereof) under the Hedging Agreement.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Yours faithfully

[Hedge Counterparty]

SACO – TARGET SECURITY AGREEMENT

cc. [*Chargor Name*]

**SCHEDULE 10
CONTRACTS**

**PART A
NOTICE OF SECURITY**

To: [Contract counterparty]

Date: [•]

Dear Sirs,

We give you notice that, by a Security Agreement dated [•] February 2018 (the "**Security Agreement**"), we have created security by way of equitable assignment in favour of RBC Europe Limited (the "**Security Agent**") as trustee for or for the benefit of the Secured Parties over all our rights, title and interest in, to and under the [*describe contract*] dated [•] between [•] relating to [•] including all monies payable thereunder (the "**Contract**").

We will remain liable to perform all our obligations under the Contract and the Security Agent is under no obligation of any kind whatsoever under the Contract nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Contract.

[Where notice served on or following Security becoming enforceable:]

[Please note that with effect from the date of your receipt of this notice:

- (a) all payments by you to us arising from the Contract shall be paid to, or at the direction of, the Security Agent;
- (b) all remedies provided for under the Contract (or otherwise available) are exercisable by, or at the direction of, the Security Agent; and
- (c) all rights, title and interest whatsoever accruing to or for the benefit of ourselves arising under the Contract (including all rights to compel performance) shall be exercisable by, or at the direction of, the Security Agent.]

[Where notice served prior to Security becoming enforceable:]

[Please note that with effect from the date of your receipt of this notice, until such time as you receive written notification from the Security Agent to the contrary stating that the security has become enforceable:

- (a) all payments by you to us arising under the Contract shall be paid to us; and
- (b) all remedies provided for in the Contract (or otherwise available) and all rights to compel performance of the Contract shall be exercisable by us.]

You are authorised and instructed to disclose to the Security Agent, without further approval from us, such information regarding the Contract as the Security Agent may from time to time request and to send copies of all notices issued by you under the Contract to the Security Agent as well as to us.

SACO – TARGET SECURITY AGREEMENT

These instructions may not be revoked, nor may the terms of the Contract be amended, varied, waived or terminated, without the prior written consent of the Security Agent.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Agent with a copy to us.

Yours faithfully

[*Chargor Name*]

PART B
ACKNOWLEDGEMENT OF NOTICE OF SECURITY

To: RBC Europe Limited (as Security Agent)

Date: [•]

Dear Sirs

We confirm receipt of a notice dated [•] February 2018 of security created by [*Chargor Name*] (the "**Chargor**") in favour of RBC Europe Limited (the "**Security Agent**") over all the Chargor's rights, title and interest in and to the Contract (as specified in that notice).

We confirm that:

- (a) we will comply with the terms of such notice; and
- (b) we have not received notice of any prior security over, or the interest of any third party in, the Contract.

We further confirm that:

- 1. no amendment, waiver or release of any such rights, interests and benefits will be effective without the prior written consent of the Security Agent;
- 2. no termination of such rights, title and interest will be effective unless we have given the Security Agent 21 days' written notice of the proposed termination and specifying the action necessary to avoid such termination;
- 3. the Chargor will remain liable to perform all its obligations under the Contract and the Security Agent is under no obligation of any kind whatsoever under the Contract nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the Contract; and
- 4. no breach or default on the part of the Chargor of any of the terms of the Contract will be deemed to have occurred unless we have given notice of such breach to the Security Agent specifying how to make good such breach.

[*Where notice served prior to Security becoming enforceable:*] [We confirm that we have made all necessary arrangements for all future payments payable under the Contract to be made as specified in the notice.]

We have not claimed or exercised, and waive all future rights to claim or exercise, any rights of set-off, lien, counterclaim or other similar right now or in the future relating to amounts owed to us by the Chargor.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Yours faithfully

SACO – TARGET SECURITY AGREEMENT

[*Contract counterparty*]

cc. [*Chargor Name*]

SCHEDULE 11
EXISTING ACCOUNTS

PART A
Existing Accounts

Legal Entity	Account Name	Bank	Account Number	Sort Code / BIC Code	Currency
SACO Cannon Street Ltd	SACO Cannon Street Limited	HSBC	14092244	40-18-17	Sterling
SACO Group Holdings Limited	SACO Group Holdings Limited	HSBC	14128931	40-18-17	Sterling
SACO Group Holdings Limited	SACO Group Holdings Euro	HSBC	74135245	40-05-15	Euro
OCM Luxembourg George Street Apart Hotel S.à r.l.	OCM Luxembourg Leman Street Apart-Hotel S.à r.l.	Investec	54741906	30-96-34	Sterling
OCM Luxembourg George Street Apart Hotel S.à r.l.	OCM Luxembourg Leman Street Apart-Hotel S.à r.l.	Investec	54746822	30-96-34	Sterling
OCM Luxembourg George Street Apart Hotel S.à r.l.	OCM Luxembourg George Street Apart Hotel S.à r.l.	Investec	54824027	30-96-34	Sterling
OCM Luxembourg George Street Apart Hotel S.à r.l.	OCM Luxembourg George Street Apart Hotel S.à r.l.	Investec	54931946	30-96-34	Sterling

Part B
Account Designation Notice

From: [*Chargor*]

To: RBC Europe Limited as Security Agent (the "**Security Agent**")

Dear Sirs,

1. We refer to the Security Agreement dated [•] February 2018 between, among others, ourselves as a Chargor and RBC Europe Limited as security agent.
2. We hereby notify you that on and from the date of this notice the Existing Account referred to below shall cease to be an Existing Account for the purposes of the Security Agreement and shall be an Account for the purposes of the Security Agreement.

Chargor	Account Name	Bank	Account Number	Sort Code / BIC Code	Currency
[•]	[•]	[•]	[•]	[•]	[•]

3. This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.
4. Yours faithfully

[*Chargor Name*]

SCHEDULE 12
DEVELOPMENT DOCUMENTS

No.	Description of asset	Date
1.	JCT Design and Build Contract 2011 edition between (1) OCM Luxembourg Leman Street Apart-Hotel SARL and (2) Bennett (Construction) Limited	3 March 2015
2.	Appointment of Façade Consultant between (1) OCM Luxembourg Leman Street Apart-Hotel SARL and (2) Wintech Limited	10 June 2015
3.	Appointment of CDM Co-ordinator between (1) OCM Luxembourg Leman Street Apart-Hotel SARL and (2) Construction (Design and Management) Services Limited dated (pursuant to a Framework Agreement)	18 May 2015
4.	Appointment of M&E Engineer between (1) OCM Luxembourg Leman Street Apart-Hotel SARL and (2) Futureserv Limited (pursuant to a Framework Agreement).	18 May 2015
5.	Appointment of Fire Engineer in connection with the addition of 3 rooms on the 1st floor and relocation of the gym (the work covered by document 3 above) between (1) OCM Luxembourg Leman Street Apart-Hotel SARL and (2) Omega Fire Engineering Limited	14 December 2017
6.	Appointment of Architect in connection with the addition of 3 rooms on the 1st floor and relocation of the gym (the work covered by document 3 above) between (1) OCM Luxembourg Leman Street Apart-Hotel SARL and (2) Aros Limited (pursuant to a Framework Agreement)	12 December 2017
7.	Appointment of Mechanical and Electrical Engineer in connection with the addition of 3 rooms on the 1 st floor and relocation of the gym (the work covered by document 3 above) between (1) OCM Luxembourg Leman Street Apart-Hotel SARL and (2) Futurserv Limited (pursuant to a Framework Agreement)	12 December 2017
8.	Post Novation Architect Collateral Warranty in favour of the Employer between (1) Aros Limited (2) OCM Luxembourg Leman Street Apart-Hotel SARL and OCM Serviced Apartments Holdings SARL and (3)Bennett (Construction) Limited	25 February 2016
9.	Post Novation Structural Engineer Collateral Warranty in favour of the Employer between (1) Campbell Reith Hill LLP (2) OCM Luxembourg Leman Street Apart-Hotel SARL and OCM Serviced Apartments Holdings SARL and (3)Bennett (Construction) Limited	25 February 2016
10.	Sub-Contractor (Mechanical, Electrical, Drainage and Plumbing Installation) Collateral Warranty in favour of the Employer	25 February 2016

No.	Description of asset	Date
	between (1) Parker Bromley Limited (2) OCM Luxembourg Leman Street Apart-Hotel SARL and (3) Bennett (Construction) Ltd	
11.	Sub-Contractor (Piling) Collateral Warranty in favour of Employer between (1) R.W. Hill (Piling) Limited (2) OCM Luxembourg Leman Street Apart-Hotel SARL and (3) Bennett (Construction) Ltd	25 February 2016
12.	Sub-Contractor (Cladding) Collateral Warranty in favour of Employer between (1) Architectural Aluminium Limited (2) OCM Luxembourg Leman Street Apart-Hotel SARL and (3) Bennett (Construction) Ltd	25 February 2016
13.	Sub-Contractor (Roofing Works) Collateral Warranty in favour of Employer between (1) Southern and Country Roofing Limited (2) OCM Luxembourg Leman Street Apart-Hotel SARL and (3) Bennett (Construction) Ltd	8 September 2016
14.	JCT Standard Building Contract Without Quantities 2011 between (1) SACO Cannon Street Ltd and (2) Redhammer Demolition Limited	29 April 2015
15.	JCT Standard Building Contract Without Quantities 2011 between (1) SACO Cannon Street Ltd and (2) Lagan Building Contractors Limited	12 May 2015
16.	JCT Design and Build Contract 2011 between (1) SACO Cannon Street Ltd and (2) David Fear Electrical Contractor Limited	27 March 2015
17.	JCT Design and Build Contract 2011 between (1) SACO Cannon Street Ltd and (2) Derry Limited	27 March 2015
18.	Appointment of Architect between (1) SACO Cannon Street Ltd and (2) Atkins Walters & Webster Limited	11 February 2015
19.	Appointment of Structural Engineer between (1) SACO Cannon Street Ltd and (2) Clarkebond (UK) Limited	11 February 2015
20.	Appointment of Building Services Engineer between (1) SACO Cannon Street Ltd and (2) Building Service Solutions (Western) Limited (pursuant to a Memorandum of Agreement dated 14 August 2014 between the Consultant and an Affiliate of the Employer under the appointment)	11 February 2015
21.	Appointment of Quantity Surveyor between (1) SACO Cannon Street Ltd and (2) Sweett (UK) Limited (pursuant to a Memorandum of Agreement dated 2 July 2014 between the Consultant and an Affiliate of the Employer under the appointment).	11 February 2015
22.	Appointment of CDM Co-ordinator between (1) SACO Cannon Street Ltd and (2) Sweett (UK) Limited (pursuant to a	11 February 2015

No.	Description of asset	Date
	Memorandum of Agreement dated 2 July 2014 between the Consultant and an Affiliate of the Employer under the appointment).	
23.	Deed of Variation to the Building Contract referred to in 1 above between (1) OCM Luxembourg Leman Street Apart-Hotel SARL (2) Bennett (Construction) Limited and HCC International Insurance Company Plc	[Not yet dated]
24.	JCT Minor Works Contract 2011 edition between (1) OCM Luxembourg Leman Street Apart-Hotel SARL and (2) Wrenspire Projects Limited	11 September 2017
25.	Appointment of Architect between (1) OCM Luxembourg Leman Street Apart-Hotel SARL and (2) Aros Limited (pursuant to a Framework Agreement)	18 June 2015
26.	Deed of Novation of Architect between (1) OCM Luxembourg Leman Street Apart-Hotel SARL (2) Bennett (Construction) Limited and (3) Aros Limited	25 February 2016
27.	Appointment of Structural Engineer between (1) OCM Luxembourg Leman Street Apart-Hotel SARL and (2) Campbell Reith Hill LLP (pursuant to a Framework Agreement dated 18 May 2015 and rectified by a deed of rectification dated 16 January 2018)	10 June 2015
28.	Deed of Novation of Structural Engineer between (1) OCM Luxembourg Leman Street Apart-Hotel SARL (2) Bennett (Construction) Limited and (3) Campbell Reith Hill LLP	25 February 2016
29.	Appointment of Building Control Consultant between (1) OCM Luxembourg Leman Street Apart-Hotel SARL and (2) Carillion Specialist Services Limited	11 June 2015
30.	Appointment of Employer's Agent and Quantity Surveyor between (1) OCM Luxembourg Leman Street Apart-Hotel SARL and (2) Cube Cost Consultants Limited (pursuant to a Framework Agreement)	10 June 2015
31.	Appointment of Topographical Survey Consultant between (1) OCM Luxembourg Leman Street Apart-Hotel SARL and (2) F.M. Conway Limited	1 August 2016
32.	Appointment of Acoustic Consultant between (1) OCM Luxembourg Leman Street Apart-Hotel SARL and (2) Sharps Redmore Partnership Limited	10 June 2015
33.	Appointment of Service Management Plan Consultant between (1) OCM Luxembourg Leman Street Apart-Hotel SARL and (2) Clarkebond (UK) Limited	7 April 2016
34.	Appointment of Project Manager between (1) OCM Luxembourg	24 February

No.	Description of asset	Date
	Leman Street Apart-Hotel SARL and (2) Jones Lang LaSalle Limited	2016
35.	Appointment of Procurement Consultant in respect of FF&E and OS&E between (1) OCM Luxembourg Leman Street Apart-Hotel SARL and (2) Argenta Projects Limited	21 October 2017
36.	Appointment of Interior Branding Services Consultant between (1) OCM Luxembourg Leman Street Apart-Hotel SARL and (2) Grzywinski & Pons Ltd	21 October 2017
37.	Appointment of Town Planning Services Consultant on a monthly retainer between (1) OCM Luxembourg Leman Street Apart-Hotel SARL and (2) Barton Wilmore	27 May 2016
38.	Appointment of Development Manager's Consultant between (1) OCM Luxembourg Leman Street Apart-Hotel SARL and (2) PWP Consultants Limited	21 November 2015
39.	Sub-Contractor (Lifts) Collateral Warranty in favour of the Employer between (1) Orona (NI) Limited (2) OCM Luxembourg Leman Street Apart-Hotel SARL and (3) Bennett (Construction) Ltd	25 February 2016
40.	Sub-Contractor (Abseiling Works) Collateral Warranty in favour of Employer between (1) City Abseiling Limited (2) OCM Luxembourg Leman Street Apart-Hotel SARL and (3) Bennett (Construction) Ltd	8 September 2016
41.	Bespoke Form of Contract between (1) SACO Cannon Street Ltd and (2) Procera Contract Flooring Limited	20 April 2015
42.	Bespoke Form of Contract between (1) SACO Cannon Street Ltd and (2) Limeblack Ltd	20 April 2015
43.	Bespoke Form of Contract between (1) SACO Cannon Street Ltd and (2) CP Hart & Sons Ltd dated	31 March 2016
44.	Appointment of Employer's Agent and Contract Administrator between (1) SACO Cannon Street Ltd and (2) Sweett (UK) Limited (pursuant to a Memorandum of Agreement dated 2 July 2014 between the Consultant and an Affiliate of the Employer under the appointment).	11 February 2015
45.	Appointment of Acoustic Engineer between (1) SACO Cannon Street Ltd and (2) Hoare Lea and Partners (pursuant to a Memorandum of Agreement dated 24 September 2014 between the Consultant and an Affiliate of the Employer under the appointment).	11 February 2015
46.	Appointment of Approved Inspector between (1) SACO Cannon Street Ltd and (2) Buckley-Lewis Partnership Limited (pursuant to a Memorandum of Agreement dated 2 July 2014 between the	11 February 2015

No.	Description of asset	Date
	Consultant and an Affiliate of the Employer under the appointment).	
47.	Appointment of Party Wall Consultant between (1) SACO Cannon Street Ltd and (2) Watts Group Plc dated (pursuant to a Memorandum of Agreement dated 5 November 2014 between the Consultant and an Affiliate of the Employer under the appointment).	5 April 2016
48.	Appointment of Daylight and Amenity Consultant between (1) SACO Cannon Street Ltd and (2) Watts Group Plc (pursuant to a Memorandum of Agreement dated 5 November 2014 between the Consultant and an Affiliate of the Employer under the appointment).	5 April 2016
49.	Appointment of Project Manager between (1) SACO Cannon Street Ltd and (2) DFE Projects Limited	18 February 2015
50.	Appointment of BREEAM Assessor between (1) SACO Cannon Street Ltd and (2) Darren Evans Assessments Limited	18 February 2015
51.	Architect collateral warranty in favour of Saco Group Holdings Limited between (1) Atkins Walters & Webster Limited (2) Saco Group Holdings Limited and (3) SACO Cannon Street Ltd	11 February 2015
52.	Structural Engineer's collateral warranty in favour of Saco Group Holdings Limited between (1) Clarkebond (UK) Limited (2) Saco Group Holdings Limited and (3) SACO Cannon Street Ltd	11 February 2015
53.	Contract Administrator's and Employer's Agent's collateral warranty in favour of Saco Group Holdings Limited between (1) Sweett (UK) Limited (2) Saco Group Holdings Limited and (3) SACO Cannon Street Ltd	11 February 2015
54.	Building Services Engineer's collateral warranty in favour of Saco Group Holdings Limited between (1) Building Services Solutions (Western) Limited (2) Saco Group Holdings Limited and (3) SACO Cannon Street Ltd	11 February 2015
55.	Quantity Surveyor's collateral warranty in favour of Saco Group Holdings Limited between (1) Sweett (UK) Limited (2) Saco Group Holdings Limited and (3) SACO Cannon Street Ltd	11 February 2015
56.	CDM Co-ordinator's collateral warranty in favour of Saco Group Holdings Limited between (1) Sweett (UK) Limited (2) Saco Group Holdings Limited and (3) SACO Cannon Street Ltd	11 February 2015
57.	Approved Inspector's collateral warranty in favour of Saco Group Holdings Limited between (1) Buckley-Lewis Partnership Limited (2) Saco Group Holdings Limited and (3) SACO Cannon Street Ltd	11 February 2015
58.	Acoustic Engineer's collateral warranty in favour of Saco Group	11 February

No.	Description of asset	Date
	Holdings Limited between (1) Hoare Lea and Partners (2) Saco Group Holdings Limited and (3) SACO Cannon Street Ltd	2015
59.	Contractor's collateral warranty in favour of Saco Group Holdings Limited between (1) Lagan Building Contractors Limited (2) Saco Group Holdings Limited and (3) SACO Cannon Street Ltd	1 June 2015
60.	Contractor's collateral warranty in favour of Saco Group Holdings Limited between (1) Redhammer Demolition Limited (2) Saco Group Holdings Limited and (3) SACO Cannon Street Ltd	29 April 2015
61.	Contractor's collateral warranty in favour of Saco Group Holdings Limited between (1) David Fear Electrical Contractors Limited (2) Saco Group Holdings Limited and (3) SACO Cannon Street Ltd	27 March 2015
62.	Step in agreement in favour of Saco Group Holdings Limited between (1) Procera Contract Flooring Limited (2) Saco Group Holdings Limited and (3) SACO Cannon Street Ltd	20 April 2015
63.	Step in agreement in favour of Saco Group Holdings Limited between (1) Limeblack Limited (2) Saco Group Holdings Limited and (3) SACO Cannon Street Ltd	20 April 2015
64.	Contractor's collateral warranty in favour of Saco Group Holdings Limited between (1) Derry Limited (2) Saco Group Holdings Limited and (3) SACO Cannon Street Ltd	27 March 2015