



Registration of a Charge

Company name: **BRIDGES FUND MANAGEMENT LIMITED**

Company number: **10401079**



X648EJ21

Received for Electronic Filing: **12/04/2017**

Details of Charge

Date of creation: **07/04/2017**

Charge code: **1040 1079 0006**

Persons entitled: **THE ROYAL BANK OF SCOTLAND PLC AS SECURITY TRUSTEE FOR THE SECURED PARTIES**

Brief description:

Contains fixed charge(s).

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:

EDWARD FULLER - CMS CAMERON MCKENNA LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10401079

Charge code: 1040 1079 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 7th April 2017 and created by BRIDGES FUND MANAGEMENT LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 12th April 2017 .

Given at Companies House, Cardiff on 13th April 2017

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

Dated 7 April 2017

Execution

BRIDGES PROPERTY ALTERNATIVES IV (GUERNSEY) LIMITED

and

BRIDGES FUND MANAGEMENT LIMITED

and

THE ROYAL BANK OF SCOTLAND PLC

**SECURITY INTEREST AGREEMENT
(CONTRACT RIGHTS)**

Ogier

BLAW-21557878-3

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This agreement is made on 7 April 2017

BETWEEN:

- 1 **Bridges Property Alternatives IV (Guernsey) Limited** a company incorporated under the laws of Guernsey with registered number 61992 and having its registered office at Third Floor, La Plaiderie Chambers, La Plaiderie, St Peter Port, Guernsey, GY1 1WG (the **Debtor**);
- 2 **Bridges Fund Management Limited**, a company incorporated under the laws of England and Wales with registered number 10401079 and having its registered office at 38 Seymour Street, London, W1H 7BP (the **Manager**); and
- 3 **The Royal Bank of Scotland plc**, as security trustee for the Secured Parties (the **Security Agent**).

RECITALS:

- A The Debtor and the Security Agent, among others, have entered into the Facility Agreement.
- B It is a condition of the Facility Agreement that the Debtor and the Manager enter into this agreement for the purposes of creating security interests under the Law over, amongst other things, the Contract Rights.

It is agreed as follows:

1 Definitions and interpretation

- 1.1 In this agreement, words and expressions shall, except where the context otherwise requires, have the meanings given to them in the Facility Agreement.
- 1.2 In this agreement, the following words and expressions shall, except where the context otherwise requires, have the following meanings:

Collateral means the Contract Rights and the beneficial interest and all other rights of the Debtor and the Manager therein;

Contracts shall have the meaning given to "Guernsey Feeder Documents" in the Facility Agreement, each a **Contract**;

Contract Rights means all rights, title and interest, present and future, of the Debtor and/or the Manager in or pursuant to a Contract, including, without limitation, the rights to:

- (a) execute and deliver Subscription Drawdown Notices;
- (b) require Shareholders to contribute additional amounts, or to request Shareholders to lend additional amounts, in the event of any Shareholder's failure to comply with a Subscription Drawdown Notice;
- (c) invite Shareholders to advance their pro-rated share of the Default Amount;

- (d) call on Shareholders to return amounts paid or distributed by the Debtor to Shareholders; and
- (e) enforce the obligations, if any, of the Shareholders to contribute, advance or return the amounts referred to in (a) to (d) above;

Default Amount shall have the meaning given to it in the Guernsey Feeder Shareholder Agreement;

Encumbrance means any mortgage, charge, pledge, lien, assignment, hypothecation, title retention, security interest, trust arrangement or any other agreement or arrangement which has the effect of creating security;

Enforcement Event means the service of a notice by the Agent in accordance with clause 24.27 (*Acceleration*) of the Facility Agreement;

Events of Default means any of the events or circumstances specified in clause 10;

Facility Agreement means the facility agreement dated on or around the date of this agreement between Bridges Property Alternatives Fund IV LP acting through its manager, the Manager as the borrower, Bridges Property Alternatives Fund IV (General Partner) LLP as the general partner, the Manager as the manager and the AIFM, Sanne Fiduciary Services (UK) Limited as the managing trustee, Bridges Property Alternatives IV (UK) Limited as the English feeder entity, the Debtor as the Guernsey feeder entity and the Security Agent as original lender, arranger, agent, security agent and issuing bank;

Law means the Security Interests (Guernsey) Law 1993;

Secured Obligations means all present and future liabilities and obligations at any time due, owing or incurred by any Obligor to any Secured Party under the Finance Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity;

Security Period means the period commencing on the date hereof and ending on the date that the Security Agent is satisfied that the Secured Obligations have been irrevocably and unconditionally satisfied in full;

Shareholder shall have the meaning given to it in the Guernsey Feeder Shareholder Agreement; and

Subscription Drawdown Notice shall have the meaning given to it in the Guernsey Feeder Shareholder Agreement.

1.3 In the interpretation of this agreement, the following provisions apply save where the context requires otherwise:

- (a) the Security Agent shall be the **security agent**, each of the Debtor and the Manager shall be the **debtor** and the Events of Default shall be the **events of default** for the purposes of the Law;

- (b) where references are made to the Security Agent holding title to or possession of the Collateral or any part thereof such references shall include any person holding title to or possession of the Collateral or any part thereof on the Security Agent's behalf other than the Debtor and/or the Manager or some person on behalf of the Debtor and/or the Manager;
- (c) references to the Security Agent include its successors, assignees and transferees. References to the Debtor and/or the Manager include their successors, permitted assignees and permitted transferees, if any;
- (d) words and expressions not otherwise defined in this agreement shall be construed in accordance with the Law;
- (e) except where the context otherwise requires, words denoting the singular include the plural and vice versa, words denoting a gender include every gender and references to persons include bodies corporate and unincorporate;
- (f) references to recitals, clauses and schedules are, unless the context otherwise requires, references to recitals and clauses hereof and schedules hereto and references to sub-clauses are, unless otherwise stated, references to the sub-clause of the clause in which the reference appears;
- (g) the recitals and the schedules form part of this agreement and shall have the same force and effect as if they were expressly set out in the body of this agreement and any reference to this agreement shall include the recitals and the schedules;
- (h) any reference to this agreement or to any agreement or document referred to in this agreement shall be construed as a reference to such agreement or document as amended, varied, modified, supplemented, restated, novated or replaced from time to time;
- (i) any reference to any statute or statutory provision shall, unless the context otherwise requires, be construed as a reference to such statute or statutory provision as the same may have been or may be amended, modified, extended, consolidated, re-enacted or replaced from time to time;
- (j) clause headings and the index are inserted for convenience only and shall not affect the construction of this agreement; and
- (k) an Event of Default is continuing if it has not been remedied to the satisfaction of the Agent or waived.

2 Covenant to pay

The Debtor and the Manager hereby covenant with the Security Agent to pay and/or discharge the Secured Obligations, in the manner and at the time provided for in the Finance Documents.

3 Guarantee

3.1 The Debtor and the Manager hereby guarantee to pay to the Security Agent on demand or discharge all obligations and liabilities (whether present or future, actual or contingent, joint or several or as principal, surety or in any other capacity) of, or due by, any Transaction Obligor to any Finance Party pursuant to the Finance Documents provided that:

- (a) to the extent that any part of such obligations and liabilities are not guaranteed as set out above, whether by reason of any legal limitation or disability relating to any Obligor or otherwise, the Debtor and the Manager hereby covenant to pay or discharge such obligations and liabilities on an indemnity basis and/or as a primary obligor and the security interests granted hereunder shall stand as a security to the Security Agent for the primary obligations and liabilities of the Debtor and the Manager contained in this paragraph;
- (b) the total amount recoverable under this clause 3.1 shall not exceed the value from time to time of the Collateral; and
- (c) following the Security Agent's enforcement of the security created hereunder and the application of the proceeds in respect thereof in accordance with this agreement and the Law, the Security Agent shall have no other claim against the assets of the Debtor and/or the Manager in respect of its rights hereunder.

3.2 The Debtor and the Manager agree that, so long as any of the obligations and liabilities of any Obligor referred to in clause 3.1 above remain outstanding or unpaid:

- (a) they will not, except in such manner and upon such terms as the Security Agent may require, exercise any rights which they may at any time have:
 - (i) to be indemnified by that Obligor; or
 - (ii) to claim any contribution from any other guarantor of that Obligor's obligations under the Finance Documents; or
 - (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right or security of the Security Agent under the Finance Documents; and
- (b) they will promptly, upon receipt of the same, apply any monies received by them as a result of the exercise of any such rights in or towards the payment or discharge of the Secured Obligations.

3.3 The Debtor and the Manager hereby acknowledge that they have been provided with, and have read, a copy of the Finance Documents.

4 Creation of security interest

4.1 The Debtor and the Manager hereby consent to the assignment by way of security of their respective rights under the Contracts to the Security Agent.

- 4.2 As a continuing security for the payment, performance and discharge of the Secured Obligations, so that the Security Agent shall have a first priority security interest in the Collateral pursuant to the Law, the Debtor and the Manager, each to the extent of their respective interests, hereby assign, transfer and/or otherwise make over to the Security Agent title to the Collateral.
- 4.3 The Debtor and the Manager hereby undertake to the Security Agent that:
- (a) contemporaneously with the execution of this agreement, they shall execute and deliver to the Security Agent, or to its order, signed and undated Subscription Drawdown Notices in a form acceptable to the Security Agent (or procure such delivery);
 - (b) contemporaneously with the execution of this agreement, they shall execute and deliver to the Initial Shareholder a notice materially in the form set out in Schedule 1 and shall procure that the Initial Shareholder executes and delivers to the Security Agent an acknowledgement materially in the form set out in Schedule 1; and
 - (c) immediately upon any person becoming a Shareholder after the date of this agreement, they shall execute and deliver to each Shareholder a notice materially in the form set out in Schedule 2 dated the same date as such person becomes a Shareholder and shall procure that each Shareholder executes and delivers to the Security Agent an acknowledgement materially in the form set out in Schedule 2.
- 4.4 The Manager (including, without limitation, in its capacity as "BFML" (as defined in the Guernsey Feeder Shareholder Agreement)) and the Company hereby acknowledge that the Collateral has been assigned to the Security Agent pursuant to clause 4.2 of this agreement.

5 Discharge

Upon the expiry of the Security Period, the Security Agent shall, at the request and expense of the Debtor and/or the Manager:

- (a) assign, transfer or otherwise make over to the Debtor and/or the Manager title to the Collateral, without recourse or warranty, and shall thereby discharge the security created hereunder; and
- (b) provide the Debtor and/or the Manager with a certificate of discharge in compliance with the Law.

6 Representations and warranties

- 6.1 The Debtor and the Manager each hereby represent and warrant to the Security Agent that:
- (a) it is a body corporate duly incorporated and validly existing under the laws of the jurisdiction of its incorporation and all corporate and other action required to

authorise the execution and delivery of this agreement and the completion of the security intended to be created pursuant to clause 4.1 has been duly taken;

- (b) it has obtained all governmental and other consents, authorisations or permissions necessary for it to enable it to create the security interests pursuant to this agreement and to ensure that such security interests have the priority and ranking that they are expressed to have;
- (c) it will not become unable to pay its debts as they fall due as a consequence of entering into this agreement;
- (d) this agreement shall, upon the assignment of title to the Collateral to the Security Agent and the giving of notice as contemplated by clause 4.3, constitute a valid first priority security interest in respect of the Collateral under section 1(6) of the Law;
- (e) the Management Agreement has not been amended, novated, assigned, supplemented, extended or restated in any way and constitutes the legal, valid and binding obligations of all parties thereto enforceable in accordance with its terms;
- (f) the Debtor and the Manager are, each to the extent of their respective interests, the sole legal and beneficial owners of and have good title to the Collateral subject only to the rights granted in favour of the Security Agent by this agreement;
- (g) the Collateral is free from all Encumbrances and rights of set-off other than those created by this agreement in favour of the Security Agent;
- (h) it has not granted any power of attorney in respect of the exercise of any rights or powers in connection with the Collateral, other than to the Security Agent;
- (i) subject to the Legal Reservations, the Contracts constitute the legal, valid and binding obligations of all parties thereto, enforceable in accordance with their terms;
- (j) it is not in breach, and is not aware of any breach or intended breach by any other party, of the terms and conditions of the Contracts; and
- (k) there are no terms or conditions of the Contracts which would prevent any security interest being taken over the Collateral in the manner contemplated by this agreement, including, without limitation, any restriction on the transferability of the Contract Rights.

6.2 The representations and warranties in clause 6.1 are given on the date hereof and repeated on the date of each Utilisation Request and the first day of each Interest Period.

7 Covenants

7.1 The Debtor and the Manager each covenant and undertake to the Security Agent that:

- (a) it shall promptly pay all payments to be made or becoming due (but in any event on or before their due date) and immediately discharge any lien which may arise in respect of the Collateral, provided that, if it does not make such payment, the Security Agent may do so and require it to reimburse the Security Agent for such payments on demand together with all costs and expenses and accrued interest thereon in accordance with the provisions of clause 9.3 of the Facility Agreement;
- (b) promptly upon receipt of any report, accounts, circular, offer or notice received by it in respect of, or which may affect, the Collateral, it shall deliver a copy to the Security Agent with notice that it relates to this agreement;
- (c) it shall supply to the Security Agent, promptly upon receipt of written request, such information regarding the Collateral and its financial condition, business and operations as the Security Agent may reasonably request;
- (d) it shall not, save with the prior written consent of the Security Agent:
 - (i) in any way, except as set out in this agreement, sell or otherwise dispose of or create any Encumbrance over the Collateral or any part thereof or agree to any extent to sell, dispose of or encumber the Collateral or any part thereof;
 - (ii) negotiate, settle or waive any claim for loss, damage or other compensation affecting the Collateral or any part thereof; or
 - (iii) terminate or amend or agree or permit any termination or amendment of the Contract;
- (e) any Collateral not held by the Security Agent shall be held to the Security Agent's order or otherwise as the Security Agent may require from time to time;
- (f) it shall notify the Security Agent of any Event of Default (and the steps, if any, being taken to remedy it) immediately upon becoming aware of its occurrence;
- (g) it shall use its best endeavours to prevent any person other than the Security Agent from becoming entitled to claim any right over the Collateral or any part thereof;
- (h) promptly upon written request from the Security Agent, it shall deliver to the Security Agent, or to its order, such other documents as the Security Agent shall require from time to time to protect, maintain or enforce any of the security interests created hereunder;
- (i) it will not do, or cause or permit to be done, anything which may adversely affect:
 - (i) the Collateral and the security interests created hereunder, or the value of any of them; or
 - (ii) the rights or interests of the Security Agent hereunder including, without limitation, the ability of the Security Agent to exercise its rights and

remedies hereunder and to preserve or enforce the security created hereunder;

- (j) it shall, unless the Security Agent agrees otherwise in writing:
 - (i) perform its obligations under, and comply with all terms and conditions of, the Contracts;
 - (ii) use its reasonable endeavours to ensure performance of the terms and conditions of the Contracts by each other party thereto;
 - (iii) save as permitted pursuant to the terms of the Facility Agreement, not agree or vary or agree to any change or termination of, or waive any requirement of the Contracts; and
 - (iv) notify the Security Agent of any breach by a Shareholder or any other party of the terms and conditions of a Contract.

7.2 The covenants and undertakings given in clause 7.1 are continuing covenants and undertakings throughout the Security Period.

8 Authority

8.1 Notwithstanding the provisions of clause 4, until the earlier of the occurrence of an Enforcement Event or the delivery by the Security Agent of written notice to the Debtor and/or the Manager revoking such authority, the Debtor and/or the Manager is hereby authorised by the Security Agent to give instructions and exercise all rights in respect of the Collateral provided that the Debtor and/or the Manager shall not, save with the prior written consent of the Security Agent, take or permit any action pursuant to such authorisation:

- (a) that does not comply with its constitutional documents, the Contracts and the Finance Documents;
- (b) save as permitted pursuant to the terms of the Facility Agreement, to terminate or amend or agree to or permit any termination or amendment of the Contracts;
- (c) that will, or could reasonably be foreseen to, have an adverse effect on the value of the Collateral; or
- (d) that jeopardises, impairs or prejudices the rights or interests of the Security Agent or any security created hereunder.

8.2 At any time following the earlier of the occurrence of an Enforcement Event or the delivery by the Security Agent to the Debtor or the Manager of written notice revoking the authority given in clause 8.1 neither the Debtor nor the Manager shall be authorised to, and shall not, give instructions or exercise any rights in respect of the Collateral.

- 8.3 The Security Agent may, in such manner as it shall determine, exercise, or cause to be exercised, or refrain from exercising, any rights which it may have pursuant to this clause 8 and it shall not be liable for any such exercise or failure to exercise such rights.

9 Income

- 9.1 Prior to the occurrence of an Enforcement Event:

- (a) all income or interest arising in respect of the Collateral (in this clause, **income**) shall be receivable by the Debtor and/or the Manager, which may retain such income for its own benefit, and such income shall be released from the security created hereunder; and
- (b) the Security Agent shall, to the extent that income is received by it, account to the Debtor and/or the Manager for such income after deducting its reasonable costs and expenses for doing so.

- 9.2 Following the occurrence of an Enforcement Event:

- (a) all income shall be receivable by the Security Agent, which shall apply the same against the Secured Obligations; and
- (b) the Debtor and/or the Manager shall, to the extent that income are received by it, account to the Security Agent for such income and, pending delivery, shall hold such income on trust for the Security Agent.

- 9.3 The provisions of clauses 9.1 and 9.2 are without prejudice to the right of the Security Agent to credit monies received, recovered or realised to a separate suspense account pursuant to clause 16.

10 Events of Default

There shall be an Event of Default if an **Event of Default** as defined in the Facility Agreement occurs, as if each such **Event of Default** were set out in full herein.

11 Enforcement by the Security Agent

- 11.1 If an Enforcement Event has occurred, the power of sale or application under the Law shall be exercisable in respect of the Collateral without any requirement to obtain any order of the Courts of Guernsey immediately upon the Security Agent serving on the Debtor and/or the Manager a notice specifying the particular Event of Default complained of.
- 11.2 The power of sale or application under the Law may be exercised in such manner, at such time and intervals and for such consideration (whether payable immediately, by instalments or otherwise deferred) as the Security Agent shall in its absolute discretion determine, including by way of sale to an associate or nominee of the Security Agent, but subject always to the provisions of section 7(5) of the Law.

- 11.3 For the purposes of this agreement, references to the exercise of the **power of sale or application** shall include any method or process by which value is given, allowed or credited by the Security Agent for the Collateral against the Secured Obligations.
- 11.4 The exercise by the Security Agent of the Contract Rights pursuant to this agreement shall not of itself amount to an exercise of a power of sale for the purposes of the Law.
- 11.5 The Security Agent shall be entitled to appropriate any part of the Collateral which is money and shall apply the same towards the Secured Obligations as if they were proceeds of sale.
- 11.6 The Security Agent may collect, receive or compromise and give a good discharge for any and all monies and claims for monies due and to become due for the time being comprised in the Collateral subject hereto.
- 11.7 To the extent permitted by the laws of Guernsey, the Security Agent shall be under no liability to the Debtor and/or the Manager:
- (a) to preserve or enhance the Collateral or its value;
 - (b) for any loss arising out of the exercise or non-exercise of the power of sale or application or other realisation or appropriation of the Collateral pursuant to this agreement; or
 - (c) for any failure to apply and distribute the monies representing the proceeds of sale or application of the Collateral in accordance with the Law if the Security Agent applies and distributes such proceeds in good faith in accordance with the information expressly known to it, without further enquiry, at the time of such application and distribution.
- 11.8 The exercise by the Security Agent of any right or power of sale or application under this clause shall not constitute a waiver or release of, nor the exercise of, any other right or power of sale or application held by the Security Agent unless expressly stated.

12 Further assurance and power of attorney

- 12.1 The Debtor and the Manager shall, at any time and from time to time, upon the written request of the Security Agent promptly do any and all such acts and things and execute and deliver all such instruments and any documents (including, without limitation, any replacement or supplemental security agreements) as the Security Agent may reasonably consider necessary or desirable for creating, completing, maintaining, enhancing or enforcing its security or rights under this agreement or the Law.
- 12.2 The Debtor and the Manager hereby irrevocably appoint the Security Agent as their attorney (with full power of substitution) with authority in the name of and on behalf of the Debtor and Manager to sign, execute, seal, deliver, acknowledge, file, register and complete any and all assurances, documents, instruments, agreements, certificates and consents whatsoever and to do any and all such acts and things in relation to any matters dealt with in this agreement and/or which the Security Agent may deem necessary or desirable for creating, completing, maintaining or enforcing the security contemplated

hereunder, giving full effect to this agreement or for securing, protecting or exercising the rights of the Security Agent hereunder or under the Law, including without limitation:

- (a) completing, dating and/or delivering any Subscription Drawdown Notice in respect of the Collateral;
- (b) exercising any rights in respect of the Collateral; and
- (c) taking any action which the Debtor and/or the Manager is required to take pursuant to this agreement.

12.3 The power of attorney referred to in clause 12.2 shall be exercisable at any time following the occurrence of an Enforcement Event.

12.4 The Debtor and the Manager hereby covenant with the Security Agent to ratify and confirm any lawful exercise or purported exercise of the power of attorney referred to in this clause.

13 Security continuing and independent

13.1 The guarantee and security created pursuant to this agreement shall take effect as a continuing guarantee and security for the payment or performance of all or any part of the Secured Obligations and shall be independent of and in addition to and it shall not be prejudiced or be affected by and shall not affect or prejudice any other guarantee or security now or hereafter held by the Security Agent in respect of the payment or performance of all or any part of the Secured Obligations.

13.2 The guarantee and security, and the obligations and liabilities, created pursuant to this agreement shall not be in any way discharged, impaired or otherwise affected by:

- (a) any partial or intermediate payment or performance of the Secured Obligations;
- (b) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which the Security Agent may now or hereafter have from or against any person in respect of any obligations of the Debtor and/or the Manager under the Finance Documents or any other document or any other person;
- (c) any act or omission by the Security Agent in taking up, completing or enforcing any security, indemnity or guarantee from or against the Debtor, the Manager or any other person;
- (d) any defect in, termination, amendment, variation, novation or supplement of or to any of the Finance Documents or to any document pursuant to which obligations are due by the Debtor, the Manager or any other person to the Security Agent;
- (e) any grant of time, indulgence, waiver or concession given to the Debtor, the Manager or any other person;

- (f) any of the insolvency, bankruptcy, liquidation, administration, winding-up, incapacity, limitation, disability, the discharge by operation of law, and any change in the constitution, name and style of any party to any of the Finance Documents or any other person;
 - (g) any release, invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of the Debtor, the Manager or any other person in respect of any of the Finance Documents or any other document;
 - (h) any claim or enforcement of payment from any of the other parties to the Finance Documents or any other person; or
 - (i) any act or omission which would have discharged or affected the liability of the Debtor, the Manager or by anything done or omitted by any person which but for this provision might operate to exonerate or discharge the Debtor or the Manager or otherwise reduce or extinguish its liability under this agreement.
- 13.3 The Security Agent is not obliged, before exercising any of the rights, powers or remedies it may have pursuant to this agreement or by law, to make any demand of, or take action or file any claim or proof in respect of, any person other than the Debtor and/or the Manager or to enforce any other security in respect of the Finance Documents.
- 13.4 If the Collateral or any part hereof is released from the guarantee or security interests created hereunder in reliance upon a payment or other performance or discharge which is subsequently avoided, set aside or restored for any reason whatsoever (including, without limitation, in connection with the subsequent insolvency or bankruptcy of the Debtor), the obligations and liabilities of the Debtor and the Manager under this agreement shall continue as if such release had not occurred.
- 13.5 The Debtor and the Manager irrevocably waive and abandon any and all rights under the laws of Guernsey:
- (a) whether by virtue of the droit de division or otherwise, to require that any liability under the Finance Documents be divided or apportioned with any other person or reduced in any manner whatsoever; and
 - (b) whether by virtue of the droit de discussion or otherwise, to require that recourse be had to the assets of any other person before any claim is enforced against it under the Finance Documents.
- 14 Remedies and waiver**
- 14.1 No failure by the Security Agent to exercise, nor any delay by the Security Agent in exercising, any right or remedy hereunder shall operate as a waiver hereof nor shall any single or partial exercise prevent any further or other exercise thereof or the exercise of any other right or remedy.
- 14.2 The rights and remedies under or pursuant to this agreement, the security interests created hereunder, and any rights or other remedies provided by law (including the Law as it applies to the security created hereunder) are cumulative and not mutually exclusive

and any of such rights and remedies may be, but need not be, exercised at the Security Agent's discretion.

15 Set-off

The Security Agent may set off any matured obligation due from the Debtor and/or the Manager under this agreement (to the extent beneficially owned by the Security Agent) against any matured obligation owed by the Security Agent to the Debtor and/or the Manager, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Agent may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

16 Suspense account

Until all amounts which may be or become payable by the Debtor and/or the Manager under this agreement have been irrevocably paid in full, monies received, recovered or realised by the Security Agent under this agreement may, at the discretion of the Security Agent, be credited to a separate or suspense account for so long as the Security Agent may think fit without any intermediate obligation on the part of the Security Agent to apply the same in or towards payment and discharge of the Secured Obligations.

17 Illegality

If at any time one or more of the provisions of this agreement becomes invalid, illegal or unenforceable in any respect, that provision shall be severed from the remainder and the validity, legality and enforceability of the remaining provisions of this agreement shall not be affected or impaired in any way.

18 Certificate of Security Agent

Any certificate submitted by the Security Agent to the Debtor and/or the Manager as to the amount of the Secured Obligations or any part of them shall, in the absence of manifest error, be conclusive evidence of the matter to which it relates.

19 Amalgamation and consolidation

The rights and benefits of the Security Agent under this agreement shall remain valid and binding for all purposes notwithstanding any change, amalgamation, consolidation or otherwise which may be made in the constitution of the Security Agent and shall be available to such entity as shall carry on the business of the Security Agent for the time being.

20 Conversion of currency

All monies received or held by the Security Agent subject to this agreement may at any time, before as well as after the occurrence of an Event of Default, be converted into such other currency as the Security Agent considers necessary or desirable to satisfy the Secured Obligations in that other currency at the then prevailing spot rate of exchange of

the Security Agent (as conclusively determined by the Security Agent) for purchasing that other currency with the original currency.

21 Amendment and waiver

No variation, amendment or waiver of this agreement shall be valid unless in writing and signed by or on behalf of the parties hereto.

22 Assignment

22.1 The Security Agent may grant a participation in or make an assignment or transfer or otherwise dispose of, the whole or any part of its rights and benefits under this agreement as permitted by the terms of the Facility Agreement. For the purpose of any such participation, assignment, transfer or disposal, the Security Agent may disclose information about the Debtor and/or the Manager and their financial condition as may have been made available to the Security Agent by them or which is otherwise publicly available.

22.2 Neither the Debtor nor the Manager shall assign or transfer all or any part of its rights, benefits and/or obligations under this agreement.

23 Liability of Debtor

Where the Debtor consists of more than one person, the liability of each such person shall be joint and several and every agreement, undertaking or covenant contained in this agreement shall be construed accordingly.

24 Contractual recognition of bail-in

24.1 Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the parties, each party acknowledges and accepts that any liability of any party to any other party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
- (b) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
- (c) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
- (d) a cancellation of any such liability; and
- (e) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

24.2 For the purposes of this clause 24, the following terms shall have the following meanings:

Bail-In Action means the exercise of any Write-down and Conversion Powers.

Bail-In Legislation means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firm, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time; and
- (b) in relation to any other state, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

EEA Member Country means any member state of the European Union, Iceland, Liechtenstein and Norway.

EU Bail-In Legislation Schedule means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

Resolution Authority means any body which has authority to exercise any Write-down and Conversion Powers.

Write-down and Conversion Powers means:

- (c) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule; and
- (d) in relation to any other applicable Bail-In Legislation:
 - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
 - (ii) any similar or analogous powers under that Bail-In Legislation.

25 Notices

- 25.1 All notices with respect to this agreement shall be delivered in accordance with the terms of clause 33 of the Facility Agreement as if the provisions of clause 33 of the Facility Agreement were set out in full herein.

25.2 The Manager irrevocably appoints the Debtor as process agent in Guernsey to accept service of notices pursuant to this agreement on its behalf, such appointment to take effect from the date of this agreement.

25.3 If any person appointed as agent for service is unable for any reason to act as agent for service of process, the Manager must immediately (and in any event within five days of such event taking place) appoint another agent on terms acceptable to the Security Agent. Failing this, the Security Agent may appoint another agent for this purpose.

26 Counterparts

This agreement may be executed in any number of counterparts each of which shall be an original but which shall together constitute one and the same instrument.

27 Governing law and jurisdiction

27.1 This agreement shall be governed by and construed in accordance with the laws of Guernsey and the parties hereby irrevocably agree for the exclusive benefit of the Security Agent that the courts of Guernsey are to have jurisdiction to settle any disputes which arise out of or in connection with this agreement and that accordingly any suit, action or proceeding arising out of or in connection with this agreement (in this clause referred to as **Proceedings**) may be brought in such court.

27.2 Nothing contained in this clause shall limit the right of the Security Agent to take Proceedings against the Debtor and/or the Manager in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdiction preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

27.3 The Debtor and the Manager each irrevocably waive (and irrevocably agree not to raise) any objection which it may have now or hereafter to the taking of any Proceedings in any such court as referred to in this clause and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any Proceedings brought in any such court as is referred to in this clause shall be conclusive and binding upon the Debtor and the Manager and may be enforced in the court of any other jurisdiction.

The parties have duly executed this agreement on the date set out at the beginning of this agreement.

SCHEDULE 1

Closing notice and acknowledgement - contract rights

Notice

To: Bridges Ventures Holdings Limited (the **Initial Shareholder**)
38 Seymour Street, London, W1H 7BP

From: Bridges Property Alternatives IV (Guernsey) Limited (the **Debtor**)
Third Floor, La Plaiderie Chambers, La Plaiderie, St Peter Port, Guernsey, GY1 1WG

And: Bridges Fund Management Limited (the **Manager**)
38 Seymour Street, London, W1H 7BP

And: The Royal Bank of Scotland plc (the **Security Agent**)
280 Bishopsgate, London EC2M 4RB

Date: _____ 2017

- 1 We hereby give you notice that, pursuant to a security interest agreement dated on or about the date hereof made between the Debtor, the Manager and the Security Agent (the **Security Interest Agreement**), the Debtor and the Manager have assigned to the Security Agent all of its rights, title and interest, present and future, in or pursuant to:
 - (a) the articles of incorporation of the Debtor, the memorandum of incorporation of the Debtor and the certificate of incorporation of the Debtor; and
 - (b) the amended and restated shareholders' agreement dated _____ 2017, governing the rights and obligations of the shareholders in the Debtor,(together the **Contracts** and each a **Contract**), such rights, title and interest referred to herein as the **Collateral**.
- 2 All obligations which the Initial Shareholder owed to the Debtor and/or the Manager prior to the date of the Security Interest Agreement in respect of the Collateral are now owed to the Security Agent.
- 3 We irrevocably and unconditionally authorise and instruct you (notwithstanding any previous instructions of any kind which the Debtor and/or the Manager may have given to you):
 - (a) to disclose to the Security Agent such information relating to the Collateral as it may from time to time require; and
 - (b) to comply with the instructions from time to time of the Security Agent (to the exclusion of instructions from any other person, including the Debtor and the Manager) without any enquiry by you as to the justification or validity of such instruction.

- 4 The Security Agent shall, from time to time, provide you with a list of authorised signatories and specimen signatures for the purpose of the communication of instructions, notices or directions by the Security Agent as set out above and you shall be entitled to rely upon the most recent list provided to you.
- 5 Without prejudice to and without any waiver of the Security Agent's rights under the Security Interest Agreement or the instructions set out above, the Security Agent hereby authorises you to act in accordance with all proper instructions of the Debtor and/or the Manager from time to time given in accordance with, and pursuant to, each Contract until the earlier of:
- (a) the Security Agent giving you written notice revoking the authority of the Debtor and/or the Manager to give instructions in respect of the Contracts whereupon their rights to give instructions and all other rights of the Debtor and/or the Manager in respect of the Contracts shall cease; or
 - (b) you becoming aware of either the insolvency or bankruptcy of the Debtor and/or the Manager or any distress or execution being levied against their property,
- provided always that the Debtor and/or the Manager are not permitted pursuant to this authority to terminate or amend or agree or permit any termination or amendment of the Contracts, save as permitted by the terms of the facility agreement dated _____ 2017 between, among others, the Debtor, the Manager and the Security Agent (the **Facility Agreement**). The authority contained in this paragraph is subject to paragraphs 6 and 7 below.
- 6 The Debtor and the Manager may not take any action in relation to the Collateral which may result in the Security Agent owing any obligation to or being liable to the Initial Shareholder.
- 7 If the Security Agent incurs any liability in connection with a Contract (including, without limitation, a liability to the Initial Shareholder for non-payment) the Initial Shareholder agrees that it shall not pursue or take action against the Security Agent in relation thereto and the Debtor and the Manager shall be solely liable therefore.
- 8 This notice may not be varied or revoked without the Security Agent's prior written consent.
- 9 This notice may be executed in any number of counterparts and by each party on a separate counterpart each of which counterparts when so executed and delivered shall be an original but all such counterparts shall together constitute one and the same instrument.
- 10 This notice shall be governed by and construed in accordance with the laws of Guernsey.

Please sign and forward to the Security Agent at the above address the enclosed form of acknowledgement (for the attention of James Hill).

Signed for and on behalf of Bridges Property Alternatives IV (Guernsey) Limited

Signature

Print name

Title

Executed as a deed by)
Bridges Fund Management)
Limited)
acting by a director) Director
)

in the presence of:

Name of witness:

Signature of witness:

Address:

.....

Occupation:

Signed for and on behalf of The Royal Bank of Scotland plc

Signature

Print name

Title

Acknowledgement

To: Bridges Property Alternatives IV (Guernsey) Limited (the **Debtor**)
Third Floor, La Plaiderie Chambers, La Plaiderie, St Peter Port, Guernsey, GY1 1WG

And: Bridges Fund Management Limited (the **Manager**)
38 Seymour Street, London, W1H 7BP

And: The Royal Bank of Scotland plc (the **Security Agent**)
280 Bishopsgate, London EC2M 4RB

From: Bridges Ventures Holdings Limited (the **Initial Shareholder**)
38 Seymour Street, London, W1H 7BP

Date: _____ 2017

We hereby acknowledge receipt of a notice dated on or about the date hereof (the **Notice**) from the Debtor, the Manager and the Security Agent relating to the creation of a security interest in respect of the Collateral. Terms defined in the Notice shall have the same meaning where used herein.

We acknowledge the existence of the security interests created by the Security Interest Agreement.

We confirm that:

- 1 we accept the authorisations and instructions contained in the Notice and we undertake to act in accordance and comply with the terms of the Notice;
- 2 we have neither claimed nor exercised nor will claim or exercise any security interest, lien, any rights of counter-claim, rights of set-off or any other equities which we may have against the Debtor and/or the Manager;
- 3 we have not, as at the date hereof, received notice of any other security interest or encumbrance over any of the Collateral and we hereby undertake to notify the Security Agent of any such notice received in the future;
- 4 save as permitted by the terms of the Facility Agreement, we shall not terminate or amend or agree or permit any termination or amendment of the Contracts without the prior written consent of the Security Agent;
- 5 for such time as such security interest continues and prior to the exercise of the power of sale or application in respect thereof, the Security Agent acts as secured party only and will not be held liable by, or under any obligation to, the Initial Shareholder in respect of the Collateral; and

6 for the purpose of the giving of notice to us, without prejudice to any other form of notice, we agree that a facsimile sent to _____ attention _____ and that an email sent to _____ shall, in each case, be sufficient notice.

This acknowledgement shall be governed by and construed in accordance with the laws of Guernsey.

Bridges Ventures Holdings Limited)
acting by a director)
in the presence of:)

Witness Signature:

.....

Name:

.....

Occupation:

.....

Address:

.....

SCHEDULE 2

Subsequent notice and acknowledgement - contract rights

Notice

To: [] (the **Shareholder**)
[Address]

From: Bridges Property Alternatives IV (Guernsey) Limited (the **Debtor**)
Third Floor, La Plaiderie Chambers, La Plaiderie, St Peter Port, Guernsey, GY1 1WG

And: Bridges Fund Management Limited (the **Manager**)
38 Seymour Street, London, W1H 7BP

And: The Royal Bank of Scotland plc (the **Security Agent**)
280 Bishopsgate, London EC2M 4RB

Date: []

- 1 We hereby give you notice that, pursuant to a security interest agreement dated [] made between the Debtor, the Manager and the Security Agent (the **Security Interest Agreement**), the Debtor and the Manager have assigned to the Security Agent all of its rights, title and interest, present and future, in or pursuant to:
 - (a) the articles of incorporation of the Debtor, the memorandum of incorporation of the Debtor and the certificate of incorporation of the Debtor; and
 - (b) the amended and restated shareholders' agreement dated _____ 2017, governing the rights and obligations of the shareholders in the Debtor,(together the **Contracts** and each a **Contract**), such rights, title and interest referred to herein as the **Collateral**.
- 2 All obligations which the Shareholder owed to the Debtor and/or the Manager prior to the date of the Security Interest Agreement in respect of the Collateral are now owed to the Security Agent.
- 3 We irrevocably and unconditionally authorise and instruct you (notwithstanding any previous instructions of any kind which the Debtor and/or the Manager may have given to you):
 - (a) to disclose to the Security Agent such information relating to the Collateral as it may from time to time require; and

- (b) to comply with the instructions from time to time of the Security Agent (to the exclusion of instructions from any other person, including the Debtor and the Manager) without any enquiry by you as to the justification or validity of such instruction.
- 4 The Security Agent shall, from time to time, provide you with a list of authorised signatories and specimen signatures for the purpose of the communication of instructions, notices or directions by the Security Agent as set out above and you shall be entitled to rely upon the most recent list provided to you.
- 5 Without prejudice to and without any waiver of the Security Agent's rights under the Security Interest Agreement or the instructions set out above, the Security Agent hereby authorises you to act in accordance with all proper instructions of the Debtor and/or the Manager from time to time given in accordance with, and pursuant to, each Contract until the earlier of:
- (a) the Security Agent giving you written notice revoking the authority of the Debtor and/or the Manager to give instructions in respect of the Contracts whereupon their rights to give instructions and all other rights of the Debtor and/or the Manager in respect of the Contracts shall cease; or
- (b) you becoming aware of either the insolvency or bankruptcy of the Debtor and/or the Manager or any distress or execution being levied against their property,
- provided always that the Debtor and/or the Manager are not permitted pursuant to this authority to terminate or amend or agree or permit any termination or amendment of the Contracts, save as permitted by the terms of the facility agreement dated _____ 2017 between, among others, the Debtor, the Manager and the Security Agent (the **Facility Agreement**). The authority contained in this paragraph is subject to paragraphs 6 and 7 below.
- 6 The Debtor and the Manager may not take any action in relation to the Collateral which may result in the Security Agent owing any obligation to or being liable to the Shareholder.
- 7 If the Security Agent incurs any liability in connection with a Contract (including, without limitation, a liability to the Shareholder for non-payment) the Shareholder agrees that it shall not pursue or take action against the Security Agent in relation thereto and the Debtor and the Manager shall be solely liable therefore.
- 8 This notice may not be varied or revoked without the Security Agent's prior written consent.
- 9 This notice may be executed in any number of counterparts and by each party on a separate counterpart each of which counterparts when so executed and delivered shall be an original but all such counterparts shall together constitute one and the same instrument.
- 10 This notice shall be governed by and construed in accordance with the laws of Guernsey.

Please sign and forward to the Security Agent at the above address the enclosed form of acknowledgement (for the attention of James Hill).

Signed for and on behalf of Bridges Property Alternatives IV (Guernsey) Limited

Signature

Print name

Title

Executed as a deed by)
Bridges Fund Management)
Limited)
acting by a director) **Director**
)

in the presence of:

Name of witness:

Signature of witness:

Address:

.....

Occupation:

Signed for and on behalf of The Royal Bank of Scotland plc

Signature

Print name

Title

Acknowledgement

To: Bridges Property Alternatives IV (Guernsey) Limited (the **Debtor**)
Third Floor, La Plaiderie Chambers, La Plaiderie, St Peter Port, Guernsey, GY1 1WG

And: Bridges Fund Management Limited (the **Manager**)
38 Seymour Street, London, W1H 7BP

And: The Royal Bank of Scotland plc (the **Security Agent**)
280 Bishopsgate, London EC2M 4RB

From: [] (the **Shareholder**)
[Address]

Date: []

We hereby acknowledge receipt of a notice dated [date] (the **Notice**) from the Debtor, the Manager and the Security Agent relating to the creation of a security interest in respect of the Collateral. Terms defined in the Notice shall have the same meaning where used herein.

We acknowledge the existence of the security interests created by the Security Interest Agreement.

We confirm that:

- 1 we accept the authorisations and instructions contained in the Notice and we undertake to act in accordance and comply with the terms of the Notice;
- 2 we have neither claimed nor exercised nor will claim or exercise any security interest, lien, any rights of counter-claim, rights of set-off or any other equities which we may have against the Debtor and/or the Manager;
- 3 we have not, as at the date hereof, received notice of any other security interest or encumbrance over any of the Collateral and we hereby undertake to notify the Security Agent of any such notice received in the future;
- 4 save as permitted by the terms of the Facility Agreement, we shall not terminate or amend or agree or permit any termination or amendment of the Contracts without the prior written consent of the Security Agent;
- 5 for such time as such security interest continues and prior to the exercise of the power of sale or application in respect thereof, the Security Agent acts as secured party only and will not be held liable by, or under any obligation to, the Shareholder in respect of the Collateral; and

6 for the purpose of the giving of notice to us, without prejudice to any other form of notice, we agree that a facsimile sent to [number] attention [] and that an email sent to [address] shall, in each case, be sufficient notice.

This acknowledgement shall be governed by and construed in accordance with the laws of Guernsey.

Signed for and on behalf of [Shareholder]

Signature

[Signature

Print name

Print name

Title

Title]

Signatories

Debtor

Signed for and on behalf of Bridges Property Alternatives IV (Guernsey) Limited

[Redacted Signature]

John Bishop

Signature

Print name

John Bishop
Director

Title

Manager

Executed as a deed by
**Bridges Fund Management
Limited**
acting by a director

)
)
)
)
)

.....
Director

in the presence of:

Name of witness:

Signature of witness:

Address:

Occupation:

Signatories

Debtor

Signed for and on behalf of Bridges Property Alternatives IV (Guernsey) Limited

Signature

Print name

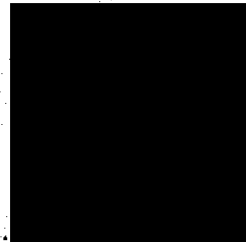
Title

Manager

Executed as a deed by
Bridges Fund Management
Limited
acting by a director

)
)
)
)
)

.....
Director



In the presence of:

Name of witness: ..DAVID OGLEBY.....

Signature of witness: .......

Address: .......

Occupation: ..CHARTERED ACCOUNTANT

Security Agent

Signed for and on behalf of The Royal Bank of Scotland plc


Signature

ANDREW ROBERTS
Print name

DIRECTOR
Title