



Registration of a Charge

LLP name: **CLV (ST ANDREWS) UK 3 LLP**

LLP number: **OC418013**



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Received for Electronic Filing: **06/11/2017**

Details of Charge

Date of creation: **31/10/2017**

Charge code: **OC41 8013 0001**

Persons entitled: **KLEINWORT BENSON (GUERNSEY) LIMITED AS TRUSTEE OF THE
M&G SECURED LEASE INCOME FUND AND BORROWDALE NOMINEES
LIMITED**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT
TO S.859G OF THE COMPANIES ACT 2006 AS APPLIED BY**

THE LIMITED LIABILITY PARTNERSHIPS (APPLICATION OF COMPANIES ACT 2006) REGULATIONS 2009 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.

Certified by:

**MARIANNE MUDD - CMS CAMERON MCKENNA NABARRO
OLSWANG LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

LLP number: OC418013

Charge code: OC41 8013 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st October 2017 and created by CLV (ST ANDREWS) UK 3 LLP was delivered pursuant to Part 25 of the Companies Act 2006 as applied by The Limited Liability Partnerships (Application of Companies Act 2006) (Amendment) Regulations 2013 on 6th November 2017 .

Given at Companies House, Cardiff on 8th November 2017

The above information was communicated by electronic means and authenticated
by the Registrar of Companies under the Limited Liability Partnership
(Application of the Companies Act 2006) Regulations 2009 SI 2009/1804



Companies House



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

DATE: 31st October 2017

**LOAN SECURITY AGREEMENT RELATING TO STUDENT ACCOMMODATION, "GAP
SITES", ST ANDREWS UNIVERSITY, ST ANDREWS, SCOTLAND (SLIF: 13434)**

Between

CLV (ST ANDREWS) UK 3 LLP
(as Chargor)

and

**KLEINWORT BENSON (GUERNSEY) LIMITED AS TRUSTEE OF THE M&G SECURED
LEASE INCOME FUND AND BORROWDALE NOMINEES LIMITED**
(as First Lender)

Certified True Copy of The Original

CMS Cameron McKenna Nabarro Olswang
For and on behalf of: *Olswang*
CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place, 78 Cannon Street, London EC4N 6AF
Date: 21/11/17

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THIS DEED made on the 31st day of October 2017

BETWEEN:

- (1) **CLV (ST ANDREWS) UK 3 LLP** (a limited liability partnership registered in England with registration number OC418013) whose registered office is at 6th Floor, One London Wall, London, EC2Y 5EB (the "**Chargor**"); and
- (2) **KLEINWORT BENSON (GUERNSEY) LIMITED** (a company registered in Guernsey with number 670) of Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 2HT as trustee of the M&G Secured Lease Income Fund (the "**SLIF Trustee**") and its nominee (the "**SLIF Nominee**") **BORROWDALE NOMINEES LIMITED** (a company registered in Guernsey with number 19435) of Dorey Court, Admiral Park, St Peter Port, Guernsey (the "**First Lender**");

WHEREAS:

- (A) The Chargor enters into this Deed in connection with a development loan agreement (the "**Development Loan Agreement**") dated on or about the date of this Deed and made between the First Lender (1) the Second Lender (2) and the Chargor (3).
- (B) The Members of the Chargor are satisfied that the giving of the security contained or provided for in this Deed is in the interests of the Chargor and has passed a resolution to that effect.

NOW IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

Definitions

- 1.1 Terms defined in the Development Loan Agreement shall, unless otherwise defined in this Deed, have the same meanings when used in this Deed and in addition in this Deed:

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

"Business Day": means a day (other than a Saturday or Sunday) on which banks are open for general business in London and or Guernsey.

"Charged Property": means all the assets of the Chargor which from time to time are the subject of any security created or expressed to be created in favour of the First Lender by or pursuant to this Deed.

"Delegate": means any person appointed by the First Lender or any Receiver pursuant to Clauses 12.2 to 12.4 (*Delegation*) and any person appointed as attorney of the First Lender and/or any Receiver or Delegate.

"Deposit Moneys": means all monies from time to time deposited in or standing to the credit of the Escrow Account, all interest from time to time accrued or accruing on all such monies or in respect of the Escrow Account (including but without limitation all Interest) and in each case the debts represented thereby.

"Escrow Account": means the account held with the Escrow Account Bank in the name of the Escrow Agent at HSBC Bank plc with account number _____ and sort code 40-02-50 and reference PTCL re St Andrews Gap Sites (as the same may be re-designated and/or re-numbered from time to time).

"Escrow Account Bank": means such bank or financial institution where the Escrow Account is opened and operated by the Escrow Agent in accordance with the Escrow Agreement.

"Escrow Agent": - Prudential Trustee Company Limited (registration number 01863305) of Laurence Pountney Hill London EC4R 0HH or such alternate security trustee or escrow agent as may be proposed by the First Lender and approved by the Chargor.

"Escrow Agreement": means the escrow agreement dated on or around the date hereof and made between the First Lender, the Second Lender, the Chargor and the Escrow Agent and/or any other Escrow Agreement as defined in the Development Loan Agreement.

"Expenses": means all costs (including legal fees), charges, expenses and damages sustained or incurred by the First Lender or any Receiver or Delegate at any time in connection with the Charged Property or the Secured Liabilities or in taking, holding or perfecting this Deed or in protecting, preserving, defending or enforcing the security constituted by this Deed or in exercising any rights, powers or remedies provided by or pursuant to this Deed (including any right or power to make payments on behalf of the Chargor under the terms of this Deed) or by law in each case on a full indemnity basis.

"Interest": means any applicable interest which accrues from time to time in respect of the Deposit Moneys held in the Escrow Account as the same may be more particularly described in the Escrow Agreement.

"Legal Reservations": means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim; and
- (c) similar principles, rights and defences under the laws of any relevant jurisdiction.

"Liability Period": means the period beginning on the date of this Deed and ending on the date on which the First Lender is satisfied, acting in good faith, that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

"Limitation Acts": means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

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

"Novation Deed": means a deed to novate the Development Loan Agreement from the First Lender to the Second Lender in materially the form that is attached to Part 13B of the Schedule to the Development Loan Agreement.

"Receiver": means a receiver or receiver and manager of the whole or any part or parts of the Charged Property.

"Related Rights": means, in relation to any Relevant Agreement:

- (a) the right to receive all moneys payable to or for the benefit of the Chargor under or in connection with that Relevant Agreement;
- (b) the right to make demands under, or compel or require performance of, that Relevant Agreement or otherwise exercise all rights, remedies and discretions arising under or in connection with that Relevant Agreement or available at law or in equity; and

- (c) all other rights, interests and benefits whatsoever accruing to or for the benefit of the Chargor arising under or in connection with that Relevant Agreement.

"Relevant Agreements": means the Escrow Agreement, together with all documents which are supplemental to, or are expressed to be collateral with, or are entered into pursuant to, the Escrow Agreement.

"Second Lender": means KLEINWORT BENSON (GUERNSEY) LIMITED (a company registered in Guernsey with number 670) of Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 2HT as trustee of the St Andrews Unit Trust (the "Trustee") and its nominee (the "Nominee") BORROWDALE NOMINEES LIMITED (a company registered in Guernsey with number 19435) of Dorey Court, Admiral Park, St Peter Port, Guernsey.

"Secured Liabilities": means all present and future indebtedness, moneys, obligations and liabilities of the Chargor to the First Lender and/or the Second Lender under the Development Loan Agreement and the other Finance Agreements (including this Deed), in whatever currency denominated, whether actual or contingent and whether owed jointly or severally or as principal or as surety or in some other capacity, including any liability in respect of any further advances made under the Finance Agreements, together with all Expenses and all interest under Clause 2.2 (*Interest*).

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

"SLIF": the M&G Secured Lease Income Fund.

"Tax": means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Termination Event": means any event specified in Clause 19.1 (*Termination*) of the Development Loan Agreement.

"Trust": the St Andrews Unit Trust.

Construction

1.2 Any reference in this Deed to:

- 1.2.1 the **"First Lender"** or the **"Chargor"** or any other person shall be construed so as to include their successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Agreements;
- 1.2.2 **"assets"** includes present and future properties, revenues and rights of every description;
- 1.2.3 **"benefit"** includes the right to demand or receive money, to exercise all or any rights available at law or in equity, to compel performance and/or to give any notice;
- 1.2.4 **"indebtedness"** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- 1.2.5 a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- 1.2.6 a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or

- supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation; and
- 1.2.7 a provision of law is a reference to that provision as amended or re-enacted.
- 1.3 Clause and Schedule headings are for ease of reference only.
- 1.4 Any reference in this Deed to a mortgage, charge or assignment of any asset shall be construed so as to include:
- 1.4.1 all rights under any agreement for sale in respect of that asset;
- 1.4.2 all warranties, guarantees, indemnities, security, covenants for title and/or representations and undertakings in respect of that asset; and
- 1.4.3 the proceeds of sale of any part of that asset and any other moneys paid or payable in respect of or in connection with that asset.
- 1.5 Any reference in this Deed to any Finance Agreement or any other agreement or other document shall be construed as a reference to that Finance Agreement or that other agreement or document as the same may have been, or may from time to time be, restated, varied, amended, supplemented, substituted, novated or assigned, whether or not as a result of any of the same:
- 1.5.1 there is an increase or decrease in any facility made available under that Finance Agreement or other agreement or document or an increase or decrease in the period for which any facility is available or in which it is repayable;
- 1.5.2 any additional, further or substituted facility to or for such facility is provided;
- 1.5.3 any rate of interest, commission or fees or relevant purpose is changed;
- 1.5.4 the identity of the parties is changed;
- 1.5.5 the identity of the providers of any security is changed;
- 1.5.6 there is an increased or additional liability on the part of any person; or
- 1.5.7 a new agreement is effectively created or deemed to be created.
- 1.6 Any reference in this Deed to “**this Deed**” shall be deemed to be a reference to this Deed as a whole and not limited to the particular Clause, Schedule or provision in which the relevant reference appears and to this Deed as amended, novated, assigned, supplemented, extended or restated from time to time and any reference in this Deed to a “**Clause**” or a “**Schedule**” is, unless otherwise provided, a reference to a Clause or a Schedule of this Deed.
- 1.7 Unless the context otherwise requires, words denoting the singular number only shall include the plural and vice versa.
- 1.8 Where any provision of this Deed is stated to include one or more things that shall be by way of example or for the avoidance of doubt only and shall not limit the generality of that provision.
- 1.9 It is intended that this document shall take effect as and be a deed of the Chargor notwithstanding the fact that the First Lender may not execute this document as a deed.
- 1.10 Any change in the constitution of the First Lender or its absorption of or amalgamation with any other person or the acquisition of all or part of its undertaking by any other person shall not in any way prejudice or affect its rights under this Deed.

Third Party Rights

- 1.11 Nothing in this Deed is intended to confer on any person any right to enforce or enjoy the benefit of any provision of this Deed which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999.

2. COVENANT TO PAY

Covenant to Pay

- 2.1 The Chargor covenants with the First Lender that it shall pay perform and discharge the Secured Liabilities as and when the same fall due for payment, performance or discharge in accordance with the terms of the Finance Agreements.

Interest

- 2.2 The Chargor covenants with the First Lender that, save to the extent that interest is paid thereon under the Development Loan Agreement, to pay interest on any amounts due under Clause 2.1 (*Covenant to Pay*) from day to day until full discharge (whether before or after judgment, liquidation, winding-up or administration of any person) at the rate and in the manner specified in Clauses 13.15 and 13.16 of the Development Loan Agreement, provided that, in the case of any Expense, such interest shall accrue and be payable as from the date on which (a) the First Lender paid such Expense or (b) where the First Lender has not paid such Expense, the relevant Expense incurs interest in accordance with the payment terms thereof.

3. GRANT OF FIXED SECURITY

The Chargor, as security for the payment, performance and discharge of all the Secured Liabilities, charges in favour of the First Lender by way of first fixed charge all of its present and future right, title and interest in and to:

- 3.1 the Deposit Moneys;
- 3.2 the Student Lettings Income;
- 3.3 Interest LADs;
- 3.4 all insurance proceeds to be paid into the Escrow Account pursuant to clause 13.36 of the Development Loan Agreement; and
- 3.5 the Escrow Account.

4. GRANT OF FLOATING CHARGE

- 4.1 The Chargor, as security for the payment, performance and discharge of all the Secured Liabilities, charges in favour of the First Lender by way of a first floating charge all of its undertaking and all of its property, revenues, rights and assets of whatsoever nature, both present and future not otherwise validly and effectively charged by way of fixed security pursuant to Clause 3 (*Grant of Fixed Security*).

Qualifying Floating Charge

- 4.2 The provisions of paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created pursuant to Clause 4.1 (*Creation of Floating Charge*).

Conversion by Notice

- 4.3 The First Lender may by notice in writing at any time to the Chargor convert the floating charge created by Clause 4.1 (*Creation of Floating Charge*) with immediate effect into a fixed charge (either generally or specifically as regards any assets of the Chargor specified in the notice) if:
- 4.3.1 the security constituted by this Deed becomes enforceable; or
 - 4.3.2 the First Lender reasonably considers that: (a) any part of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or (b) it is desirable to do so in order to protect or preserve the security constituted by this Deed over any of the Charged Property and/or the priority of that security (provided in each case, that conversion shall only take effect in respect of the Charged Property in jeopardy).
- 4.4 The giving of a notice by the First Lender under Clause 4.3 above in relation to any asset of the Chargor will not be construed as a waiver or abandonment of the First Lender's rights to give any other notice in respect of any other asset or of any other right of the First Lender under this Deed or any other Finance Agreement.

Automatic Conversion

- 4.5 Notwithstanding Clauses 4.3 and 4.4 (*Conversion by Notice*) and without prejudice to any law which may have a similar effect, the floating charge created by Clause 4.1 (*Creation of Floating Charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all of the undertaking and assets subject to that floating charge if:
- 4.5.1 the Chargor creates or attempts to create any Security over any of the Charged Property (other than as expressly permitted under the Development Loan Agreement or this Deed);
 - 4.5.2 any person levies or attempts to levy any distress, execution or other process against any of the Charged Property; or
 - 4.5.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Chargor or an administrator is appointed in respect of the Chargor.

Reconversion

- 4.6 If any floating charge created pursuant to Clause 4.1 (*Creation of Floating Charge*) is converted into a fixed charge over any Charged Property under Clauses 4.3 and 4.4 (*Conversion by Notice*) or Clause 4.5 (*Automatic Conversion*), it shall be re-converted into a floating charge over that Charged Property if the First Lender (in its absolute discretion) gives the Chargor a notice in writing to that effect.

5. PERFECTION OF SECURITY

Notice of Grant of Security

- 5.1 The Chargor shall, promptly following the written request of the First Lender, give or join the First Lender in giving a notice of charge in the form set out in either Part 1 (*Form of Notice (Relevant Agreements)*) or Part 2 (*Form of Notice (Bank Accounts)*) of Schedule 1 (*Form of Notice of Grant of Security*) or in such other form as the First Lender may reasonably require, duly signed by or on behalf of the Chargor, to all or any of the persons (as the First Lender shall specify) party to the Relevant Agreements and/or to the Escrow Account Bank in respect of the Escrow Account

and the Deposit Moneys and shall use all reasonable endeavours to procure that each person on whom any such notice is served promptly provides to the First Lender a duly signed acknowledgement of that notice in the relevant form set out in either Part 1 (*Form of Notice (Relevant Agreements)*) or Part 2 (*Form of Notice (Bank Accounts)*) of Schedule 1 or in such other form as the First Lender may reasonably require.

Documents

- 5.2 The Chargor shall, promptly upon the request of the First Lender from time to time, deliver to the First Lender a copy of each Relevant Agreement as is then in effect and all such other documents relating to the Charged Property as the First Lender may reasonably require.

6. FURTHER ASSURANCE

Further Assurance

- 6.1 The Chargor shall promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the First Lender or any Receiver may reasonably specify (and in such form as the First Lender or any Receiver may reasonably require in favour of the First Lender or its nominee(s)) to:
- 6.1.1 perfect the security created or intended to be created in respect of the Charged Property;
 - 6.1.2 facilitate the exercise of any rights, powers and remedies of the First Lender or any Receiver or Delegate provided by or pursuant to this Deed or by law;
 - 6.1.3 facilitate the realisation of the assets which form part of, or are intended to form part of, the Charged Property; and/or
 - 6.1.4 if required in connection with Clauses 6.1.2 or 6.1.3 above, create (to the extent capable of being legally assigned), any legal assignment by way of security of any of the Charged Property referred to in Clause 3.1 (*Grant of Fixed Security*).

Necessary Action

- 6.2 The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any security conferred or intended to be conferred on the First Lender by or pursuant to this Deed.

Implied Covenants for Title

- 6.3 The security granted by the Chargor under this Deed is granted with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, save that the covenants set out in Section 2(1) (a), Section 3 and Section 4 of that Act shall extend to the Chargor without, in each case, the benefit of Section 6(2) of that Act.

7. REPRESENTATIONS

General

- 7.1 The Chargor makes the representations and warranties set out in this Clause 7 (*Representations*) to the First Lender on the date of this Deed.

Status

- 7.2 It is a limited liability partnership, duly incorporated and validly existing under the laws of England and it has the power to own its assets and carry on its business as it is being conducted.

Binding Obligations

- 7.3 Subject to the Legal Reservations, the obligations expressed to be assumed by it in this Deed are legal, valid, binding and enforceable obligations and (without limiting the generality of the foregoing) this Deed creates the security which it purports to create and that security is valid and effective.

Power and Authority

- 7.4 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed and the transactions contemplated by this Deed.
- 7.5 No limit on its powers will be exceeded as a result of the grant of security contemplated by this Deed.

Non-conflict with Other Obligations

- 7.6 The entry into and performance by it of, and the transactions contemplated by, this Deed and the granting of the security under this Deed do not and will not conflict with:
- 7.6.1 any law or regulation applicable to it;
- 7.6.2 its constitutional documents; or
- 7.6.3 any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument,

nor (except as provided in this Deed) result in the existence or imposition of, or oblige it to create, any Security in favour of any person over all or any of its assets.

Insolvency and Centre of Main Interests and Establishments

- 7.7 No corporate action, legal proceeding or other formal procedure or formal step in relation to:
- 7.7.1 the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise);
- 7.7.2 a composition, compromise, assignment or arrangement with any creditor; or
- 7.7.3 the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer,
- (or any analogous procedure or step in any jurisdiction) has been taken or, to its knowledge, threatened in relation to it or any of its assets.
- 7.8 No expropriation, attachment, sequestration, distress or execution (or any analogous process in any jurisdiction) affecting any material part of its assets has been taken or, to its knowledge, threatened in relation to it.
- 7.9 It is not unable and has not admitted its inability to pay its debts as they fall due (and has not been deemed to or declared to be unable to pay its debts under applicable law) and it has not suspended or threatened to suspend making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commenced negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness and the value of its assets is not less than its liabilities (taking into account contingent and prospective liabilities).

- 7.10 For the purposes of The Council of the European Union Regulation No. 2015/848 on Insolvency Proceedings (the “**Regulation**”), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in England and it has no “**establishment**” (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

Validity and Admissibility in Evidence

- 7.11 All authorisations, consents, approvals, resolutions, licences, exemptions, filings, notarisations or registrations required to:

- 7.11.1 enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed;
- 7.11.2 make this Deed admissible in evidence in its jurisdiction of incorporation; and
- 7.11.3 enable it to create any security expressed to be created by it by or pursuant to, or, as the case may be, any security expressed to have been created by it and to be evidenced in, this Deed and to ensure that such security has the priority and ranking it is expressed to have,

have been obtained or effected and are in full force and effect, except for any registrations and filings referred to in Clause 7.12 (*No Filing or Stamp Taxes*).

No Filing or Stamp Taxes

- 7.12 Under the law of its jurisdiction of incorporation it is not necessary that this Deed be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar taxes or fees be paid on or in relation to this Deed or the transactions contemplated by this Deed, except registration of particulars of this Deed at the Companies Registration Office in England and Wales under Section 859A of the Companies Act 2006 and payment of associated fees, which registration and fees will be made and paid promptly after the date of this Deed.

No Breach of Law or Default

- 7.13 It has not breached any law or regulation which breach might reasonably be expected to result in any material adverse change in its financial condition, business or assets.
- 7.14 It is not in material breach under any agreement to which it is a party nor is it in default in respect of any material financial commitment or liability.

No Misleading Information

- 7.15 All:
- 7.15.1 written factual financial information and other factual information provided by it to the First Lender was true, complete and accurate in all material respects as at the date it was provided and is not misleading in any material respect; and
 - 7.15.2 financial projections or forecasts have been prepared on the basis of recent historical information and on the basis of reasonable assumptions and were fair (as at the date of the relevant report or document containing the projection or forecast) and arrived at after careful consideration.

No Proceedings Pending or Threatened

- 7.16 No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency which, if adversely determined, might reasonably be expected to result in

any material adverse change in its financial condition, business or assets have (to the best of its knowledge and belief (having made due and careful enquiry)) been started or threatened against it.

Creation of Security

- 7.17 This Deed creates or, as applicable, evidences in favour of the First Lender the security which it purports to create or evidence with the ranking and priority which it is expressed to have.
- 7.18 Without limiting Clause 7.17 above, its payment obligations under this Deed rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.
- 7.19 No Security (other than any Security constituted by this Deed) exists over all or any of the Charged Property and no arrangement or transaction as described in Clause 8.2 (*Negative Pledge*) below has been entered into by it and is outstanding.

Good Title to Assets

- 7.20 It has a good, valid and marketable title to, or valid leases or licences of, and all appropriate Authorisations to use, the assets necessary to carry on its business as it is being conducted.
- 7.21 It is the sole legal and beneficial owner of the assets over which it purports to grant security under this Deed.

Continuing Representations

- 7.22 The Chargor undertakes with the First Lender that the representations and warranties in Clauses 7.1 (*General*) to 7.6 (*Non-conflict of Other Obligations*) (inclusive), 7.10 (*Insolvency and Centre of Main Interests and Establishments*) to 7.11 (*Validity and Admissibility in Evidence*) (inclusive), 7.13 (*No Breach of Law or Default*), 7.15 (*No Misleading Information*) to 7.21 (*Good Title to Assets*) (inclusive) will be true and accurate throughout the continuance of this Deed by reference to the facts and circumstances existing from time to time.

8. UNDERTAKINGS

General

- 8.1 The undertakings in this Clause 8 (*Undertakings*) remain in force from the date of this Deed for so long as any amount is outstanding under this Deed.

Negative Pledge

- 8.2 The Chargor shall not create or extend or permit to arise or subsist any Security (other than any Security constituted by this Deed or permitted under the Development Loan Agreement) over the whole or any part of the Charged Property or enter into any arrangement or transaction as described in Clause 22.4 (*Miscellaneous*) of the Development Loan Agreement in respect of any asset forming part of, or intended to form part of, the Charged Property without the prior written consent of the First Lender.
- 8.3 The Chargor will not enter into any arrangement under which all or any of the Deposit Moneys or the benefit of the Escrow Account may be applied, set-off or made subject to a combination of accounts or enter into any other preferential arrangement having a similar effect except: (a) as expressly permitted under the Development Loan Agreement and/or the Escrow Agreement; or (b) as expressly permitted under any Relevant Agreement; or (c) with the prior written consent of the First Lender.

Restriction on Disposals

- 8.4 The Chargor shall not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, assign, transfer or otherwise dispose of the whole or any part of the Charged Property except: (a) with the prior written consent of the First Lender; or (b) as expressly permitted under the Development Loan Agreement and/or any applicable Relevant Agreement.
- 8.5 The Chargor shall not, except: (a) with the prior written consent of the First Lender; or (b) as expressly permitted under the Development Loan Agreement and/or any Finance Agreement, permit or agree to any variation of the rights attaching to the Escrow Account or close the Escrow Account.
- 8.6 The Chargor shall promptly:
- 8.6.1 notify the First Lender of any change in the details of the Escrow Account; and
 - 8.6.2 upon receipt from the Escrow Account Bank forward copies of all statements showing the balance from time to time standing on the Escrow Account to the First Lender.

Restriction on Withdrawals

- 8.7 Notwithstanding any term express or implied to which any of the Deposit Moneys are or may be deposited in or paid to the credit of the Escrow Account, the Chargor undertakes and agrees with the First Lender that it shall not:
- 8.7.1 make any request or demand to the Escrow Agent or the Escrow Account Bank for the payment or repayment of all or any part of the Deposit Moneys; and/or
 - 8.7.2 withdraw all or any part of the Deposit Moneys,
- except:
- (a) with the prior written consent of the First Lender; or
 - (b) as expressly permitted under the Development Loan Agreement, the Escrow Agreement and/or any applicable Relevant Agreement.

Performance of Relevant Agreements

- 8.8 The Chargor shall:
- 8.8.1 observe and perform all of the obligations assumed by it under or in connection with the Relevant Agreements; and
 - 8.8.2 to the extent that: (a) it is able to do so; and (b) it is commercially reasonable shall diligently enforce the observance and performance by each person or party to any Relevant Agreement of all such obligations assumed by it under or in connection with that Relevant Agreement (including, without limitation, the payment of all amounts due from that person or party).

Payment of Proceeds into Accounts

- 8.9 Except: (a) with the prior written consent of the First Lender; or (b) as expressly permitted under the Development Loan Agreement and/or any applicable Relevant Agreement, the Chargor shall not at any time deal with any monetary debts or claims (including any chose in action which may give rise to a monetary debt or claim) owing to it under or in connection with the Relevant Agreements except by getting in and realising them in the ordinary and usual course of its business and paying all proceeds of such monetary debts or claims to such account as the First Lender may,

acting reasonably, direct from time to time. The Chargor shall, pending such payment in, hold all such proceeds upon trust for the First Lender.

Relevant Agreements

- 8.10 The Chargor undertakes that it shall not, without the prior written consent of the First Lender:
- 8.10.1 amend, vary, supplement any Relevant Agreement (except to: (a) incorporate or amend administrative details, which shall not negatively impact the First Lender and which shall be notified in writing in advance to the First Lender; or (b) address changes in law or to incorporate technical changes, in which case the consent of the First Lender shall not be unreasonably withheld or delayed);
 - 8.10.2 waive any breach of the terms of any Relevant Agreement;
 - 8.10.3 release, rescind or abandon any Relevant Agreement;
 - 8.10.4 exercise any right to terminate any Relevant Agreement or repudiate any Relevant Agreement or otherwise treat itself as discharged or relieved from further performance of any of the obligations or liabilities assumed by it under or in connection with any Relevant Agreement; and/or
 - 8.10.5 exercise any right of set-off against any person or party to any Relevant Agreement or suffer to arise any right of set-off or other adverse rights against the whole or any part of the Charged Property (except, in each case, as expressly permitted under the Development Loan Agreement and/or any applicable Relevant Agreement); and/or
 - 8.10.6 grant any time or other indulgence to, or waive, release, settle, compromise or abandon any liability of or claim against, any person in connection with the Charged Property or do or omit to do any other act or thing whereby the recovery in full of any moneys payable under or in connection with the Relevant Agreements or for the time being comprised in the Charged Property may be delayed or impeded.

Defence of Charged Property

- 8.11 The Chargor shall take all such steps as are necessary or reasonably expedient (including bringing or defending proceedings) to keep the Relevant Agreements in full force and effect and to protect or preserve the interests of the Chargor and the First Lender in the Charged Property against the claims and demands of any person, all such steps to be taken at the expense of the Chargor.

Information and Notification

- 8.12 The Chargor shall promptly supply to the First Lender a copy of every material notice or other such communication given, made or, as the case may be, received by it concerning the Charged Property promptly after its despatch or receipt.
- 8.13 The Chargor shall promptly supply to the First Lender such information as the First Lender may reasonably require about the Charged Property and its compliance with the terms of this Deed and such further information regarding its financial condition, assets and operations as the First Lender may reasonably request.
- 8.14 The Chargor shall promptly notify the First Lender in writing of:
- 8.14.1 any default under any Relevant Agreement by itself or by any person party to any Relevant Agreement or if a serious risk of such a default occurs;
 - 8.14.2 any release, rescission or abandonment of any Relevant Agreement by itself or by any person party to any Relevant Agreement;

- 8.14.3 any matter or event which may lead or cause any Relevant Agreement to be terminated or repudiated or which might reasonably be expected to make any Relevant Agreement ineffective or unenforceable; and/or
- 8.14.4 any action, dispute, claim or demand made by or against it in connection with all or any part of the Charged Property or of any fact, matter or circumstance which may with the passage of time reasonably be expected to give rise to such an action, dispute, claim or demand, together with its proposals for settling, liquidating, compounding or contesting the same and shall, subject to the approval of such proposals by the First Lender, acting reasonably, implement them at its own expense.

Authorisations

- 8.15 The Chargor shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect, and supply certified copies to the First Lender (if requested) of, any Authorisation required under any law or regulation of its jurisdiction of incorporation:
 - 8.15.1 to enable it to perform its obligations under this Deed and subject to the Legal Reservations, to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of this Deed; and
 - 8.15.2 to enable it to properly operate its business or to preserve or maintain any Charged Property in all material respects.

Compliance with Laws and Regulations

- 8.16 The Chargor shall comply in all respects with all laws and regulations to which it or its business or any Charged Property may be subject, if failure so to comply would materially impair its ability to perform its obligations under this Deed.

Not Jeopardise Security

- 8.17 Except, and for the avoidance of doubt, for the proper operation of the Escrow Account in accordance with the Escrow Agreement the Chargor undertakes that it shall not do or cause or permit to be done anything which might reasonably be expected to in any way depreciate, jeopardise or otherwise prejudice the value to the First Lender of the security constituted or intended to be constituted by this Deed. In particular, but without limitation, the Chargor will not suffer to arise any right of set-off (other than as expressly permitted under the Development Loan Agreement, this Deed or with the prior written consent of the First Lender) or other adverse rights against the whole or any part of the Charged Property or release, grant time or indulgence or compound with any third party or do or omit to do any other act or thing which may delay or prejudice the right of the First Lender to receive payment of all or any part of the Deposit Moneys or any right or benefit under the Relevant Agreements.

9. ENFORCEMENT OF SECURITY

When Security Becomes Enforceable

- 9.1 At any time after the occurrence of a Termination Event (but only for so long as it has not been remedied or waived), the security constituted by this Deed shall become immediately enforceable and the First Lender shall be entitled, without notice to the Chargor or prior authorisation from any court, in its absolute discretion:
 - 9.1.1 to demand and receive or recover by legal process all or any part of the Deposit Moneys and on payment to give an effectual discharge of them; and

- 9.1.2 to 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 or exercise all or any of the powers, rights, remedies and discretions or any benefit in respect of all or any part of the Charged Property; and
- 9.1.3 whether or not it has appointed a Receiver, to exercise all or any of the powers, rights, remedies and discretions conferred by the LPA (as varied or extended by this Deed) on mortgagees and by this Deed on any Receiver or otherwise conferred by law on mortgagees or Receivers.

Financial Collateral

- 9.2 To the extent that any of the Charged Property constitutes “**financial collateral**” and this Deed and the obligations of the Chargor under this Deed constitute a “**security financial collateral arrangement**” (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No.2) Regulations 2003 (the “**FCA Regulations**”)), the First Lender shall have, in addition, the right, at any time after the security constituted by this Deed has become enforceable, to appropriate all or any part of such financial collateral in or towards satisfaction of the Secured Liabilities in accordance with Clause 14.1 (*Order of Application*). For this purpose, the parties agree that the value of such financial collateral shall be, in the case of cash, the amount standing to the credit of the Escrow Account, together with all interest accrued but unposted, at the time that the right of appropriation is exercised. The parties further agree that the manner of valuation provided for in this Clause 9.2 (*Financial Collateral*) shall constitute a commercially reasonable manner of valuation for the purposes of the FCA Regulations.

Timed Deposits

- 9.3 The rights and powers of the First Lender contained in this Clause 9.3 (*Time Deposits*) shall apply notwithstanding that:
 - 9.3.1 all or any part of the Deposit Moneys may have been or may be deposited for a fixed or minimum period or be subject to a period of notice;
 - 9.3.2 any interest on the Deposit Moneys is calculated by reference to a fixed or minimum period; and/or
 - 9.3.3 any such fixed or minimum period or period of notice may or may not have expired or been given.
- 9.4 The Chargor authorises the First Lender at any time after the security constituted by this Deed has become enforceable to break or determine the Deposit Moneys in whole or in part and/or to renew all or any of the Deposit Moneys for such fixed periods as the First Lender may (in its absolute discretion) from time to time think fit.

Statutory Powers and Restrictions

- 9.5 The power of sale and disposal conferred on and the rights and powers of the First Lender or any Receiver conferred by this Deed shall operate as a variation and extension of the statutory power of sale and other powers conferred by Section 101 of the LPA. For the purposes of all powers implied by the LPA, such powers shall arise (and the Secured Liabilities shall be deemed to have become due and payable for that purpose) on the date of this Deed.
- 9.6 Section 103 of the LPA (restricting the power of sale) and Section 93 of the LPA (restricting the right of consolidation) shall not apply to the security constituted by this Deed.

Redemption of Prior Mortgages

- 9.7 At any time after the security constituted by this Deed has become enforceable, the First Lender or any Receiver may:
- 9.7.1 redeem any prior Security over any Charged Property; or
 - 9.7.2 procure the transfer of that Security to the First Lender; or
 - 9.7.3 settle and pass the accounts of the person or persons entitled to such Security (and any accounts so settled and passed shall be conclusive and binding on the Chargor).
- 9.8 All principal moneys, interest, costs, charges and expenses of and incidental to any such redemption or transfer shall be paid by the Chargor to the First Lender and every Receiver on demand and shall be secured by this Deed.

10. APPOINTMENT OF RECEIVER AND ADMINISTRATOR

Appointment

- 10.1 At any time after the security constituted by this Deed has become enforceable or if an application is presented for the making of an administration order in relation to the Chargor or any person who is entitled to do so gives written notice of its intention to appoint an administrator of the Chargor or files such a notice with the court or if the Chargor so requests the First Lender in writing (in which case, in each such case, the security constituted by this Deed shall become immediately enforceable), the First Lender may without prior notice to the Chargor:
- 10.1.1 appoint free from the restrictions imposed by Section 109(1) of the LPA either under seal or in writing under its hand any one or more persons to be a Receiver of the whole or any part or parts of the Charged Property in like manner in every respect as if the First Lender had become entitled under the LPA to exercise the power of sale conferred under the LPA; or
 - 10.1.2 appoint one or more persons to be an administrator of the Chargor.

Removal of Receiver

- 10.2 The First Lender may by writing under its hand (or by an application to the court where required by law):
- 10.2.1 remove any Receiver appointed by it; and
 - 10.2.2 may, whenever it deems it expedient, appoint any one or more persons to be a new Receiver in the place of or in addition to any Receiver.

Statutory Powers of Appointment

- 10.3 The powers of appointment of a Receiver conferred by this Deed shall be in addition to all statutory and other powers of appointment of the First Lender under the LPA (as extended by this Deed) or otherwise and such powers shall be and remain exercisable from time to time by the First Lender in respect of any part or parts of the Charged Property.

Capacity of Receiver

- 10.4 Each Receiver shall be deemed to be the agent of the Chargor which shall be solely responsible for his contracts, engagements, acts, omissions, defaults and losses and for liabilities incurred by him and for the payment of his remuneration.

- 10.5 The agency of each Receiver shall continue until the Chargor goes into liquidation and after that the Receiver shall act as principal. No Receiver shall at any time act as agent for the First Lender.
- 10.6 If there is more than one Receiver holding office at the same time, each Receiver shall (unless the document appointing him states otherwise) be entitled to act (and to exercise all of the powers conferred on a Receiver under this Deed) individually or together with any other person appointed or substituted as Receiver.

Remuneration of Receiver

- 10.7 The First Lender may fix the remuneration of any Receiver appointed by it without any restriction imposed by Section 109(6) of the LPA and the remuneration of the Receiver shall be a debt secured by this Deed, which shall be due and payable immediately upon its being paid by the First Lender.

11. POWERS OF RECEIVER

General

- 11.1 Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the Chargor) have and be entitled to exercise, in relation to the Charged Property (and any assets of the Chargor which, when got in, would be Charged Property) in respect of which he was appointed, and as varied and extended by the provisions of this Deed (in the name of or on behalf of the Chargor or in his own name and, in each case, at the cost of the Chargor):
- 11.1.1 all the powers, rights and discretions conferred by the LPA on mortgagors and on mortgagees in possession and on receivers appointed under the LPA;
 - 11.1.2 all the powers, rights and discretions of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 and any of the same added to that Schedule after the date of this Deed (whether or not the Receiver is an administrative receiver);
 - 11.1.3 all other powers, rights and discretions conferred on receivers, or receivers and managers, under the provisions of the Insolvency Act 1986 or by any other law;
 - 11.1.4 all the powers and rights of an absolute beneficial owner of the Charged Property and power to do or omit to do anything which the Chargor itself could do or omit to do; and
 - 11.1.5 the power to do all acts and things (including bringing or defending proceedings in the name of or on behalf of the Chargor) which he may consider incidental or conducive to any of the functions, rights, powers, authorities or discretions conferred on or vested in him or to the exercise of any of the rights, powers and remedies of the First Lender provided by or pursuant to this Deed (including realisation of all or any part of the Charged Property) or which he may consider desirable or necessary for bringing to his hands any assets of the Chargor constituting, or which when got in would constitute, Charged Property.

First Lender's Powers

- 11.2 To the fullest extent permitted by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) upon a Receiver may after the security constituted by this Deed has become enforceable be exercised by the First Lender in relation to any Charged Property, irrespective of whether or not it has taken possession of any Charged Property and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

12. DISCRETIONS AND DELEGATION

Discretion

- 12.1 Any liberty or power which may be exercised or any determination which may be made under this Deed by the First Lender or any Receiver may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

Delegation

- 12.2 Each of the First Lender and any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this Deed (including the power of attorney).
- 12.3 Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the First Lender or any Receiver (as the case may be) shall think fit. Any such delegation shall not preclude either the subsequent exercise of any right, power, authority or discretion by the First Lender or any Receiver itself or any subsequent delegation or revocation of any delegation.
- 12.4 Neither the First Lender nor any Receiver shall be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

13. POWER OF ATTORNEY

Appointment and Powers

- 13.1 The Chargor, by way of security, irrevocably appoints the First Lender, every Receiver and every Delegate severally and independently to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for:

13.1.1 carrying out any obligation imposed on the Chargor by this Deed; and

13.1.2 enabling the First Lender or any Receiver or Delegate to exercise, or delegate the exercise of, any of the rights, powers, authorities and discretions conferred on it or him by or pursuant to this Deed or by law (including the exercise of any right of an absolute legal or beneficial owner of the Charged Property);

provided that neither the First Lender nor any Receiver or Delegate shall exercise any of its powers under this Clause 13 (*Power of Attorney*) unless a Termination Event has occurred (which has not been remedied or waived).

Ratification

- 13.2 The Chargor shall ratify and confirm whatever any attorney does pursuant to its appointment under Clause 13.1 (*Appointment and Powers*).

14. PROTECTION OF PURCHASERS

Consideration

- 14.1 The receipt of the First Lender or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Charged Property (including a disposal by a Receiver or Delegate to any subsidiary of the Chargor) or in making any acquisition

in the exercise of their respective powers, the First Lender, every Receiver and every Delegate may do so for such consideration, in such manner and on such terms as it or he thinks fit.

Protection of Third Parties

- 14.2 No person (including a purchaser) dealing with the First Lender, any Receiver or any Delegate shall be bound to enquire:

- 14.2.1 whether the Secured Liabilities have become payable; or
- 14.2.2 whether any power which the First Lender or any Receiver or Delegate is purporting to exercise has arisen or become exercisable; or
- 14.2.3 whether any money remains due under the Finance Agreements; or
- 14.2.4 how any money paid to the First Lender or to any Receiver or Delegate is to be applied, or shall be concerned with any propriety, regularity or purpose on the part of the First Lender or any Receiver or Delegate in such dealings or in the exercise of any such power.

15. APPLICATION OF PROCEEDS

Order of Application

- 15.1 All moneys received or recovered by the First Lender, any Receiver or any Delegate pursuant to this Deed, after the security constituted by this Deed has become enforceable, shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the LPA) be applied in the following order (but without prejudice to the right of the First Lender to recover any shortfall from the Chargor):
- 15.1.1 in or towards payment of all costs, losses, liabilities and expenses of and incidental to the appointment of any Receiver or Delegate and the exercise of any of his rights and powers, including his remuneration, and all outgoings paid by him;
 - 15.1.2 in or towards payment of all other Secured Liabilities or such part of them as is then due and payable to the First Lender in such order as the First Lender may select; and
 - 15.1.3 in payment of the surplus (if any) to the Chargor or other person entitled to it.
- 15.2 Clause 15.1 (*Order of Application*) will override any appropriation made by the Chargor.

New Accounts

- 15.3 If the First Lender at any time receives, or is deemed to have received, notice of any subsequent Security or other interest affecting all or any of the Charged Property or of any disposal of any Charged Property which is prohibited by the terms of this Deed or the Development Loan Agreement or of any other matter which may cause the security constituted by this Deed to cease to be a continuing security, the First Lender may open a new account with the Chargor.
- 15.4 If the First Lender does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received, or were deemed to have received, such notice. As from that time all payments made by or on behalf of the Chargor to the First Lender shall be credited or be treated as having been credited to the new account of the Chargor and not as having been applied in reduction of the Secured Liabilities.

Currency Conversion

- 15.5 For the purpose of or pending the discharge of any of the Secured Liabilities, the First Lender may (in its absolute discretion) convert any moneys received or recovered by the First Lender or

any Receiver or Delegate pursuant to this Deed or any moneys subject to application by the First Lender or any Receiver or Delegate pursuant to this Deed from one currency to another and any such conversion shall be made at the First Lender's spot rate of exchange for the time being for obtaining such other currency with the first currency and the Secured Liabilities shall be discharged only to the extent of the net proceeds of such conversion realised by the First Lender. Nothing in this Deed shall require the First Lender to make, or shall impose any duty of care on the First Lender in respect of, any such currency conversion.

16. NO LIABILITY

Neither the First Lender nor any Receiver or Delegate shall in any circumstances (except for those occasioned directly by the fraud, gross negligence or wilful misconduct of the First Lender, Receiver or Delegate) (either by reason of taking possession of any Charged Property or for any other reason and whether as mortgagee in possession or on any other basis) be liable to account to the Chargor for anything, except actual receipts, or be liable to the Chargor for any costs, charges, losses, liabilities or expenses arising from the realisation of any Charged Property or from any act, default or omission of the First Lender, any Receiver, any Delegate or any of their respective officers, agents or employees in relation to the Charged Property (other than for those occasioned directly by fraud or wilful misconduct) or from any exercise or purported exercise or non-exercise by the First Lender or any Receiver or Delegate of any power, authority or discretion provided by or pursuant to this Deed or by law or for any other loss of any nature whatsoever in connection with the Charged Property, the Development Loan Agreement or the Relevant Agreements.

17. SET-OFF

Without limiting any other rights conferred on the First Lender by law or by any other agreements entered into with the Chargor, the First Lender may (but shall not be obliged to) set off any matured obligation due from the Chargor under this Deed (to the extent beneficially owned by the First Lender) against any obligation (whether matured or not) owed by the First Lender to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the First Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. If the obligation owed by the First Lender is unliquidated or unascertained, the First Lender may set off in an amount estimated by it in good faith to be the amount of that obligation.

18. EFFECTIVENESS OF SECURITY

Continuing Security

- 18.1 The security constituted by this Deed shall remain in full force and effect as a continuing security for the Secured Liabilities, unless and until discharged by the First Lender, and will extend to the ultimate balance of all the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

Cumulative Rights

- 18.2 The security constituted by this Deed and all rights, powers and remedies of the First Lender provided by or pursuant to this Deed or by law shall be cumulative, in addition to and independent of any other guarantee or Security now or subsequently held by the First Lender for the Secured Liabilities or any other obligations or any rights, powers and remedies provided by law. No prior

Security held by the First Lender over the whole or any part of the Charged Property shall be superseded by, supersede or merge into, the security constituted by this Deed.

Reinstatement

- 18.3 If any discharge, release or arrangement (whether in respect of the obligations of the Chargor or any Security for those obligations or otherwise) is made by the First Lender in whole or in part on the faith of any payment, Security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Chargor under, the security constituted by this Deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.
- 18.4 The First Lender may concede or compromise any claim that any payment or any discharge is liable to avoidance or restoration.

Immediate Recourse

- 18.5 The Chargor waives any right it may have of first requiring the First Lender to proceed against or enforce any other rights or Security or claim payment from any person or file any proof or claim in any insolvency, administration, winding up or liquidation proceedings relating to any person before claiming from it under this Deed. This waiver applies irrespective of any law or any provision of any Finance Agreement to the contrary.

Appropriations

- 18.6 Until all the Secured Liabilities which may be or become payable by the Chargor under or in connection with this Deed have been irrevocably paid, performed and discharged in full, the First Lender may:
- 18.6.1 without affecting the liability of the Chargor under this Deed:
- (a) refrain from applying or enforcing any other moneys, Security or rights held or received by it in respect of the Secured Liabilities; or
 - (b) apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Chargor shall not be entitled to direct the appropriation of any such moneys, Security or rights or to enjoy the benefit of the same; and/or
- 18.6.2 hold in a suspense account any moneys received from the Chargor or on account of the Chargor's liability in respect of the Secured Liabilities. Amounts standing to the credit of any such suspense account shall bear interest at a rate considered by the First Lender to be a fair market rate.

No Security held by Chargor

- 18.7 The Chargor shall not take or receive any Security from any person in connection with its liability under this Deed. However, if any such Security is so taken or received by the Chargor:
- 18.7.1 it shall be held by the Chargor on trust for the First Lender, together with all moneys at any time received or held in respect of such Security, for application in or towards payment and discharge of the Secured Liabilities; and
- 18.7.2 on demand by the First Lender, the Chargor shall promptly transfer, assign or pay to the First Lender all Security and all moneys from time to time held on trust by the Chargor under this Clause 18.7 (*No Security held by Chargor*).

19. PAYMENTS

Manner of Payments

- 19.1 The Chargor shall make all payments required to be made by it under this Deed available to the First Lender (unless a contrary indication appears in this Deed) for value on the due date at the time and in such funds specified by the First Lender as being customary at the time for settlement of transactions in the relevant currency in the place of payment. Payment shall be made in the currency in which the relevant indebtedness is denominated or, if different, is expressed to be payable and to such account in the principal financial centre of the country of that currency with such bank as the First Lender specifies.

No Set-off by Chargor

- 19.2 All payments to be made by the Chargor under this Deed shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

Withholding Tax

- 19.3 The Chargor shall make all payments to be made by it under this Deed without any deduction or withholding for or on account of Tax, unless such a deduction or withholding is required by law. The Chargor, promptly upon becoming aware that it must make such a deduction or withholding (or that there is any change in the rate or the basis of such a deduction or withholding), shall notify the First Lender accordingly.
- 19.4 If the Chargor is required to make a deduction or withholding for or on account of Tax from a payment under this Deed, the Chargor shall make that deduction or withholding and any payment required in connection with that deduction or withholding within the time allowed and in the minimum amount required by law. Within thirty days of making such a deduction or withholding or any payment required in connection with that deduction or withholding, the Chargor shall deliver to the First Lender evidence reasonably satisfactory to the First Lender that the deduction or withholding has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

20. EXPENSES, STAMP TAXES AND INDEMNITIES

Expenses

- 20.1 The Chargor shall within five Business Days of demand pay to the First Lender and each Receiver or Delegate the amount of all costs and expenses (including legal fees) reasonably incurred by any of them in connection with the negotiation, preparation, printing, execution and perfection of this Deed and any other documents referred to in this Deed and in responding to, evaluating, negotiating or complying with any request for an amendment, waiver or consent made by the Chargor in relation to this Deed.
- 20.2 The Chargor shall within five Business Days of demand, pay to the First Lender and each Receiver or Delegate the amount of all costs and expenses (including legal fees) incurred by any of them in connection with the enforcement of, or the defence, protection and/or preservation of, any rights, remedies and powers under this Deed or the security constituted, or intended to be constituted, by this Deed and any proceedings instituted by or against the First Lender as a consequence of taking or holding the security constituted, or intended to be constituted, by this Deed or enforcing any such rights, powers and remedies.

Stamp Taxes

- 20.3 The Chargor shall within five Business Days of demand indemnify the First Lender and every Receiver or Delegate against any cost, loss or liability any of them incurs in relation to, all stamp duty, registration and similar Taxes payable in connection with the entry into, performance or enforcement, of this Deed, the security constituted by this Deed or any judgment given in connection with this Deed.

General Indemnity

- 20.4 The Chargor shall, notwithstanding the release or discharge of all or any part of the security constituted by this Deed, promptly indemnify the First Lender and every Receiver and Delegate against any cost, loss, liability or damage incurred by any of them as a result of:

- 20.4.1 any default or delay by the Chargor in the performance of any of the obligations expressed to be assumed by it in this Deed;
- 20.4.2 the taking, holding, protection or enforcement of the security constituted by this Deed; and
- 20.4.3 the exercise of any of the rights, powers, discretions and remedies vested in the First Lender and each Receiver and Delegate by this Deed or by law in respect of the Charged Property,

provided that the Chargor shall not be liable to indemnify the First Lender, any Receiver or any Delegate if such cost, loss, liability or damage was incurred due to its own gross negligence or fraud.

First Lender may Debit Account

- 20.5 The First Lender may, without prejudice to any other right, power or remedy, at any time and from time to time and without further authority from or notice to the Chargor debit and charge any account of the Chargor with any cost or expense referred to in this Clause 20 (*Expenses, Stamp Taxes and Indemnities*).

Value Added Tax

- 20.6 Any cost or expense referred to in this Clause 20 (*Expenses, Stamp Taxes and Indemnities*) is exclusive of any VAT that might be chargeable in connection with that cost or expense. If any VAT is so chargeable, it shall be paid by the Chargor at the same time as it pays the relevant cost or expense.

21. CERTIFICATES AND DETERMINATIONS

- 21.1 Any certificate or determination by the First Lender of a rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

22. PARTIAL INVALIDITY

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

23. REMEDIES AND WAIVERS

- 23.1 No failure to exercise, nor any delay in exercising, on the part of the First Lender, any right, remedy or power under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right, remedy or power prevent any further or other exercise or the exercise of any other right, remedy or power. The rights, remedies and powers provided in this Deed are cumulative and not exclusive of any rights, remedies or powers provided by law.
- 23.2 Any amendment, waiver or consent by the First Lender under this Deed must be in writing and may be given subject to any conditions thought fit by the First Lender. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

24. NOTICES

- 24.1 Any notice or other document to be given or sent hereunder shall be in writing and may be delivered personally or sent by first class registered post to the party to be served (at that party's address appearing in this Deed or such other address as that party shall notify in writing to the other) Any such notice or document shall be deemed to have been served if:-
- 24.1.1 delivered at the time of delivery; or
- 24.1.2 posted at the expiration of 48 hours after the envelope containing the same shall have been put into the post.
- 24.2 In proving such service it shall be sufficient to prove (as the case may be) that delivery was made or that the envelope containing such notice or document was properly addressed and posted as a prepaid first class registered letter.

25. COUNTERPARTS

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed. Delivery of an electronic counterpart of this Deed by e-mail attachment or telecopy shall be an effective mode of delivery.

26. ASSIGNMENT

- 26.1 The Chargor may not assign, charge or transfer all or any of its rights under this Deed.
- 26.2 The First Lender may assign, charge or transfer all or any of its rights under this Deed without the consent of the Chargor. The First Lender may disclose any information about the Chargor and this Deed as the First Lender shall consider appropriate to any actual or proposed direct or indirect successor or to any person to whom information is required to be disclosed by any applicable law or regulation.

27. RELEASES

- 27.1 Upon the expiry of the Liability Period (but not otherwise) and subject to Clauses 18.3 and 18.4 (*Reinstatement*), the First Lender shall, at the request and cost of the Chargor, take whatever action is necessary to release and/or re-assign the Charged Property from the security constituted by this Deed.

28. GOVERNING LAW

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

- 28.2 The First Lender irrevocably appoints CMS Cameron McKenna Nabarro Olswang LLP (ref: JAMM) of Cannon Place, 78 Cannon Street, London EC4N 6AF as its agent to accept service of process in England on behalf of the First Lender in any legal action or proceedings arising out of or in connection with this Deed service upon whom shall be deemed completed whether or not forwarded to or recovered by the First Lender.
- 28.3 The Second Lender irrevocably appoints CMS Cameron McKenna Nabarro Olswang LLP (ref: JAMM) of Cannon Place, 78 Cannon Street, London EC4N 6AF as its agent to accept service of process in England on behalf of the Second Lender in any legal action or proceedings arising out of or in connection with this Deed service upon whom shall be deemed completed whether or not forwarded to or recovered by the Second Lender.
- 28.4 If the service agent referred to in Clause 28.2 (*Governing Law*) shall cease to be able to act or shall cease to have an address in England the First Lender irrevocably agrees to appoint a new processing agent in England and to deliver to the parties within five working days confirmation of the appointment of the new processing agent.

29. THE M&G SECURED LEASE INCOME FUND

- 29.1 The SLIF Trustee is entering into this Deed as trustee of SLIF and, as such, any liability on the part of the SLIF Trustee pursuant to this Deed is limited to the assets held on trust from time to time of SLIF which are in its possession or under the SLIF Trustee's control as sole trustee of SLIF.
- 29.2 Notwithstanding any other provision of this Deed neither the SLIF Trustee nor the SLIF Nominee has any obligation to meet any claim or liability under this Deed except to the extent that assets from time to time in the hands of the SLIF Trustee as trustee of SLIF are sufficient for that purpose.
- 29.3 The Chargor acknowledges that the effect of Clauses 29.1 and 29.2 (*The M&G Secured Lease Income Fund*) above is that the Chargor shall have no recourse to any assets of the SLIF Trustee and/or the SLIF Nominee other than those assets from time to time comprising the trust fund of SLIF.
- 29.4 In the event that the SLIF Trustee retires or is replaced or substituted together with the SLIF Nominee and a new trustee or trustees (including with its or their nominee(s) "**New Trustees**") the Chargor agrees to enter into and complete a deed to novate this Deed from the SLIF Trustee and its nominee to the New Trustees such deed to be in materially the form of the draft deed annexed to Schedule 2.

30. THE ST ANDREWS UNIT TRUST

- 30.1 The Trustee is entering into this Deed as trustee of the Trust and, as such, any liability on the part of the Trustee pursuant to this Deed is limited to the assets held on trust from time to time of the Trust which are in its possession or under the Trustee's control as sole trustee of the Trust.
- 30.2 Notwithstanding any other provision of this Deed neither the Trustee nor the Nominee has any obligation to meet any claim or liability under this Deed except to the extent that assets from time to time in the hands of the Trustee as trustee of the Trust are sufficient for that purpose.
- 30.3 The Chargor acknowledges that the effect of Clauses 30.1 and 30.2 (*The St Andrews Unit Trust*) above is that the Chargor shall have no recourse to any assets of the Trustee and/or the Nominee other than those assets from time to time comprising the trust fund of the Trust.

30.4 In the event that the Trustee retires or is replaced or substituted together with the Nominee and a new trustee or trustees (including with its or their nominee(s) "**New Trustees**") the Chargor agrees to enter into and complete a deed to novate this Deed from the Trustee and its nominee to the New Trustees such deed to be in materially the form of the draft deed annexed to Schedule 2.

IN WITNESS of which this Deed has been entered into as a deed and is intended to be and is delivered on the day and year first before written.

SCHEDULE 1 – PART 1

Form of Notice of Grant of Security

Form of Notice (Relevant Agreements)

To: [Name of party to Relevant Agreement]

Address: [] [Date]

Dear Sirs

Kleinwort Benson (Guernsey) Limited as trustee of the M&G Secured Lease Income Fund and Borrowdale Nominees Limited (the “**First Lender**”) and CLV (St Andrews) UK 3 LLP (the “**Chargor**”) **HEREBY GIVE NOTICE** that by a charge contained in a security deed dated [-] and made between the Chargor and the First Lender (the “**Security Deed**”), the Chargor charged to the First Lender all of its present and future right, title and interest in and to the following:

[describe Relevant Agreement] (the “**Agreement**”) including, but not limited to:

- (a) the right to receive all moneys payable to or for the benefit of the Chargor under or in connection with the Agreement;
- (b) the right to make demands under, or compel or require performance of, the Agreement or otherwise exercise all rights, remedies and discretions arising under or in connection with the Agreement or available at law or in equity in relation to the Agreement; and
- (c) all other rights, interests and benefits whatsoever accruing to or for the benefit of the Chargor arising under or in connection with the Agreement.

Any moneys payable by you to the Chargor pursuant to the Agreement shall be paid to such account as directed by the First Lender from time to time and you should notify the First Lender prior to making any payment.

The Chargor shall remain entitled to exercise all its rights, powers and discretions under or in connection with the Agreement and you should continue to give notices under the Agreement to the Chargor, in each case, unless and until you receive notice from the First Lender to the contrary when all such rights, powers and discretions shall be exercisable by, and notices shall be given to, the First Lender or as it directs.

Please note that, pursuant to the Security Deed, the Chargor and the First Lender have agreed that the Chargor will not, without the prior written consent of the First Lender or except as expressly permitted by the terms of the Security Deed:

- (i) amend, vary, supplement, substitute, replace or novate the Agreement;
- (ii) waive any breach of the terms of the Agreement; and/or
- (iii) exercise any right to terminate the Agreement.

The Chargor confirms that:

- (A) in the event of any conflict between communications received from it and from the First Lender, the communication from the First Lender shall prevail;
- (B) none of the instructions, authorisations or confirmations in this Notice of Charge (the “**Notice**”) can be revoked or varied in any way except with the First Lender’s specific written consent; and

- (C) any written notice or instructions given to you by the First Lender in accordance with this Notice shall be conclusive.

Kindly acknowledge receipt of this Notice and confirm your agreement to it by signing the enclosed form of acknowledgement and returning it to the First Lender at [address] for the attention of [officer/department].

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

Yours faithfully

.....
for and on behalf of

CLV (ST Andrews) UK 3 LLP

.....
for and on behalf of

**Kleinwort Benson (Guernsey) Limited as trustee of the
M&G Secured Lease Income Fund and Borrowdale
Nominees Limited**

Form of Acknowledgement

[on duplicate]

To: Kleinwort Benson (Guernsey) Limited as trustee of the M&G Secured Lease Income Fund and Borrowdale Nominees Limited

Address: []

Attention: []

[Date]

Dear Sirs

We acknowledge receipt of the Notice of Charge of which this is a copy. Terms and expressions defined in that Notice shall have the same meanings when used in this acknowledgment. We give any consent to the creation of the charge required pursuant to the Agreement and agree to and confirm that:

- (a) we will pay all moneys hereafter becoming due to the Chargor in respect of the Agreement as directed in the Notice and accept and will comply with the terms of the Notice;
- (b) we will send to you copies of any notices which we may give to the Chargor under the Agreement at the same time as we send them to the Chargor;
- (c) we have not received notice of any other charge, assignment or other third party right or interest whatsoever in, of, over, or affecting, the Agreement or any other notice relating to the Agreement; and
- (d) this acknowledgement is freely assignable or transferable by you, by any subsequent assignee, transferee or successor in title in accordance with the terms of the Agreement ("**Subsequent Party**") and by any receiver appointed by you or by any Subsequent Party pursuant to the Security Deed.

Yours faithfully

.....

for and on behalf of

[Name of party to Relevant Agreement]

Schedule 1 – Part 2

Form of Notice of Grant of Security

Form of Notice (Bank Accounts)

To: [Name of Escrow Account Bank]

Address: [] [Date]

Dear Sirs

Kleinwort Benson (Guernsey) Limited as trustee of the M&G Secured Lease Income Fund and Borrowdale Nominees Limited (the “**First Lender**”) and CLV (St Andrews) UK 3 LLP (the “**Chargor**”) **HEREBY GIVE NOTICE** that by a charge contained in a security deed dated [•] and made between the Chargor and the First Lender (the “**Security Deed**”), the Chargor charged to the First Lender all of its present and future right, title and interest in and to all moneys in any currency from time to time deposited in or standing to the credit of the following account held with you:

[specify account: account name, account number, details of branch etc.]

(the “**Account**”) (including all moneys in any currency representing the renewal or replacement of or for any such deposits), all interest from time to time accrued or accruing on all such moneys, all or any moneys payable or repayable pursuant to such deposits or in respect of the Account [(including but without limitation all Interest as defined in the Escrow Agreement)] and in each case the debts represented thereby (the “**Deposit Moneys**”).

Accordingly, the Chargor hereby irrevocably and unconditionally instructs and authorises you:

- (a) to disclose to the First Lender, without any reference to or further authority from the Chargor and without any enquiry by you as to the justification for such disclosure, such information relating to the Account and the Deposit Moneys as the First Lender may at any time and from time to time request you to disclose to it;
- (b) to hold the Deposit Moneys to the order of the First Lender;
- (c) not to permit any withdrawal by the Chargor of all or any part of the Deposit Moneys without the prior written consent of the First Lender;
- (d) to pay or release all or any part of the Deposit Moneys in accordance with the written instructions of the First Lender at any time and from time to time; and
- (e) to comply with the terms of any other written notice or instructions that you receive at any time and from time to time from the First Lender in any way relating to the Security Deed, the Account or the Deposit Moneys without any reference to or further authority from the Chargor and without any enquiry by you as to the justification for or validity of such notice or instructions.

The Chargor confirms that:

- (i) in the event of any conflict between communications received from it and from the First Lender, the communication from the First Lender shall prevail;
- (ii) none of the instructions, authorisations or confirmations in this Notice of Charge (the “**Notice**”) can be revoked or varied in any way except with the First Lender’s specific written consent; and
- (iii) any written notice or instructions given to you by the First Lender in accordance with this Notice shall be conclusive.

Kindly acknowledge receipt of this Notice and confirm your agreement to it by signing the enclosed form of acknowledgement and returning it to the First Lender at [address] for the attention of [officer/department].

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

Yours faithfully,

.....
for and on behalf of

CLV (St Andrews) UK 3 LLP

.....
for and on behalf of

**Kleinwort Benson (Guernsey) Limited as trustee of the
M&G Secured Lease Income Fund and Borrowdale
Nominees Limited**

Part 2 - Form of Acknowledgement

[on duplicate]

To: Kleinwort Benson (Guernsey) Limited as trustee of the M&G Secured Lease Income Fund and Borrowdale Nominees Limited

Address: []

Attention: [] [Date]

Dear Sirs

We acknowledge receipt of the Notice of Charge of which this is a copy. Terms and expressions defined in that Notice shall have the same meanings when used in this acknowledgment. We agree to and confirm the following:

- (a) we accept and will comply with the terms of the Notice;
- (b) we have not received notice of any other charge, assignment or other third party right or interest whatsoever in, of or affecting the Agreement, the Account or the Deposit Moneys;
- (c) we have not claimed or exercised and will not claim or exercise (except with the First Lender's prior written consent) any security interest, right of set-off, consolidation or counterclaim or any other right against or in respect of the Account or the Deposit Moneys or under the Agreement, except in respect of our usual administrative and transactional fees and charges in relation to the Account; and
- (d) we shall not permit the Chargor to make any withdrawal of the Deposit Moneys without your prior written consent.

Yours faithfully

.....

for and on behalf of

[Name of Escrow Account Bank]

SCHEDULE 2

DEED OF NOVATION FOR CHANGE OF TRUSTEE

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THIS DEED OF NOVATION

AMONG:

- (1) **KLEINWORT BENSON (GUERNSEY) LIMITED** (a company registered in Guernsey number 670) of Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 3BG as trustee of the M&G Secured Lease Income Fund and **BORROWDALE NOMINEES LIMITED** (a company registered in Guernsey with number 19435) of Dorey Court, Admiral Park, St Peter Port, Guernsey (together the "SLIF");¹
- (2) **KLEINWORT BENSON (GUERNSEY) LIMITED** (a company registered in Guernsey number 670) of Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 3BG as trustee of the St Andrews Unit Trust and **BORROWDALE NOMINEES LIMITED** (a company registered in Guernsey with number 19435) of Dorey Court, Admiral Park, St Peter Port, Guernsey [●] (together the "Fund");
- (3) [[●] (the "New SLIF Trustees")];²
- (4) [[●] (the "New Fund Trustees")];
- (5) **CLV (ST ANDREWS) UK 3 LLP** (a Limited Liability Partnership number OC418013) of 6th Floor, One London Wall, London EC2Y 5EB (the "Developer"). and
- (6) **CAMPUS LIVING FUNDS MANAGEMENT LIMITED** (a company registered in New South Wales and the Commonwealth of Australia with registration number ACN 115 371 321) as trustee of the Campus Living Overseas Trust whose registered office is Level 6, 1 Margaret Street, Sydney, New South Wales 2000 Australia (the "Guarantor")
- (7)

RECITALS

- (A) By an agreement made among Kleinwort Benson (Guernsey) Limited as trustee of the M&G Secured Lease Income Fund and its nominee Borrowdale Nominees Limited (1) Kleinwort Benson (Guernsey) Limited as trustee of the St Andrews Unit Trust and its nominee Borrowdale Nominees Limited (2) and CLV (St Andrews) UK 3 LLP (3) and Campus Funds Management Living (4) effective on [●] [SLIF]³[the Fund] agreed *inter alia* to provide the Facility to finance the Development (the "Agreement") [*insert details of any subsequent novation deeds*].
- (B) [By a Trust Instrument dated [●] the New SLIF Trustees were appointed as trustee(s) [and nominee] of the M&G Secured Lease Income Fund [and] by a Trust Instrument dated [●] the New Fund Trustees were appointed as trustees [and nominee] of the St. Andrews Unit Trust] and by an assignation dated [●] the Premises was assigned to the New Fund Trustees.
- (C) It is a requirement of the Agreement that the parties enter into this Deed in relation to the Change of Trustees.

¹ To be deleted after novation to SAUT.

² To be deleted after novation to SAUT.

³ To be deleted after novation to SAUT.

1. DEFINITIONS AND INTERPRETATION

Words and expressions

1.1 Words and expressions:

1.1.1 defined and used in the Agreement (including the Recitals) shall have the same definitions and meanings where used in this Deed (except in instances where the context requires otherwise);

1.1.2 defined in the Recitals above shall apply throughout this Deed.

1.2 In this Deed the “Effective Date” means [●].

2. [RELEASE BY THE DEVELOPER OF SLIF

With effect from the Effective Date the Developer releases and discharges SLIF from any and all obligations and liabilities of SLIF to the Developer under the Agreement but without prejudice to any obligations and liabilities of SLIF arising under this Deed or under the Agreement for any period prior to the Effective Date.]⁴

3. RELEASE BY THE DEVELOPER OF THE FUND

With effect from the Effective Date the Developer releases and discharges the Fund from any and all obligations and liabilities of the Fund to the Developer under the Agreement but without prejudice to any obligations and liabilities of the Fund arising under this Deed or under the Agreement for any period prior to the Effective Date.

4. [RELEASE BY SLIF OF THE DEVELOPER

With effect from the Effective Date SLIF releases and discharges the Developer from any and all obligations and liabilities of the Developer to SLIF under the Agreement but without prejudice to any obligations and liabilities of the Developer arising under this Deed or under the Agreement for any period prior to the Effective Date.]⁵

5. [RELEASE BY SLIF OF THE GUARANTOR

With effect from the Effective Date SLIF releases and discharges the Guarantor from any and all obligations and liabilities of the Guarantor to SLIF under the Agreement but without prejudice to any obligations and liabilities of the Guarantor arising under this Deed or under the Agreement for any period prior to the Effective Date.]⁶

6. RELEASE BY THE FUND OF THE DEVELOPER

With effect from the Effective Date the Fund releases and discharges the Developer from any and all obligations and liabilities of the Developer to the Fund under the Agreement but without prejudice to any obligations and liabilities of the Developer arising under this Deed or under the Agreement for any period prior to the Effective Date.

⁴ To be deleted after novation to SAUT.

⁵ To be deleted after novation to SAUT.

⁶ To be deleted after novation to SAUT.

7. RELEASE BY THE FUND OF THE GUARANTOR

With effect from the Effective Date the Fund releases and discharges the Guarantor from any and all obligations and liabilities of the Guarantor to the Fund under the Agreement but without prejudice to any obligations and liabilities of the Guarantor arising under this Deed or under the Agreement for any period prior to the Effective Date.

8. [ACCEPTANCE OF LIABILITY BY THE NEW SLIF TRUSTEES

With effect from the Effective Date the New SLIF Trustees covenant with the other Parties hereto to perform all the duties and to discharge all the obligations of SLIF (as "**SLIF**") under the Agreement and to be bound by its terms and conditions in every way as if the New SLIF Trustee were and always had been a party to the Agreement in place of SLIF.]

9. ACCEPTANCE OF LIABILITY BY THE NEW FUND TRUSTEES

With effect from the Effective Date the New Fund Trustees covenant with the other Parties hereto to perform all the duties and to discharge all the obligations of the Fund (as "**Fund**") under the Agreement and to be bound by its terms and conditions in every way as if the New Fund Trustees were and always had been a party to the Agreement in place of Fund.

10. [ACCEPTANCE OF LIABILITY BY THE DEVELOPER TO THE NEW SLIF TRUSTEES

With effect from the Effective Date the Developer covenants with the New SLIF Trustees to perform all the duties and discharge all the obligations of the Developer (as "**Developer**") under the Agreement and to be bound by its terms and conditions in every way as if the New SLIF Trustees were and always had been a party to the Agreement in place of the SLIF.]

11. ACCEPTANCE OF LIABILITY BY THE DEVELOPER TO THE NEW FUND TRUSTEES

With effect from the Effective Date the Developer covenants with the New Fund Trustees to perform all the duties and discharge all the obligations of the Developer (as "**Developer**") under the Agreement and to be bound by its terms and conditions in every way as if the New Fund Trustees were and always had been a party to the Agreement in place of the SLIF.

12. [ACCEPTANCE OF LIABILITY BY THE GUARANTOR TO THE NEW SLIF TRUSTEES

With effect from the Effective Date the Guarantor covenants with the New SLIF Trustees to perform all the duties and discharge all the obligations of the Guarantor (as "**Guarantor**") under the Agreement and to be bound by its terms and conditions in every way as if the New SLIF Trustees were and always had been a party to the Agreement in place of the SLIF.]

13. ACCEPTANCE OF LIABILITY BY THE GUARANTOR TO THE NEW FUND TRUSTEES

With effect from the Effective Date the Guarantor covenants with the New Fund Trustees to perform all the duties and discharge all the obligations of the Guarantor (as "**Guarantor**") under the Agreement and to be bound by its terms and conditions in every way as if the New Fund Trustees were and always had been a party to the Agreement in place of the SLIF.

14. MUTUAL CONSIDERATION

The Parties agree that the releases and acceptance of liability contained in clauses 2 – [13] of this Deed for the purposes of this Deed shall be deemed to constitute good consideration from the party accepting such a release or (as the case may be) by the Party assuming such liability.

15. PARTIES' LIABILITIES

For the avoidance of doubt the provisions of clauses 22, 24, 25.1 – 25.4 and 30.1 – 30.4 of the Agreement shall apply mutatis mutandis to the covenants given under this Deed.

IN WITNESS whereof this Agreement consisting of this and the preceding [] pages is subscribed as follows.

EXECUTION PAGE

THE CHARGOR

Executed for and on behalf of CLV (ST ANDREWS) UK 3 LLP
acting by a member, CAMPUS LIVING VILLAGES (ST ANDREWS)
UK LIMITED acting through its duly appointed attorney/~~director~~*
on the 26th day of October 2017

at 78 Cannon Street, London EC4N 6AF

by:

[Redacted Signature]

~~Director~~/Attorney* *Delete as appropriate

Print Full Name:

NEIL GARETH BUCHANAN

In the presence of:

[Redacted Signature]

Witness' Signature:

Print Witness' Full Name: JAMES MILLER

Witness' Address:

[Redacted Address]

THE FIRST LENDER

EXECUTED as a **DEED** on behalf of **KLEINWORT**)
BENSON (GUERNSEY) LIMITED as trustee of)
the M&G Secured Lease Income Fund incorporated)
in Guernsey by)
and) being persons who)
in accordance with the laws of that territory are acting)
with the authority of that company:)

.....
Authorised Signatory

.....
Authorised Signatory

EXECUTED as a **DEED** on behalf of **BORROWDALE**)
NOMINEES LIMITED as nominee for the)
Kleinwort Benson (Guernsey) Limited)
in Guernsey by)
and) being persons who)
in accordance with the laws of that territory are acting)
with the authority of that company:)

.....
Authorised Signatory

.....
Authorised Signatory