



Registration of a Charge

Company name: **MERCIA REAL ESTATE PROPERTIES LIMITED**

Company number: **02020520**



X8W7XAG0

Received for Electronic Filing: **08/01/2020**

Details of Charge

Date of creation: **07/01/2020**

Charge code: **0202 0520 0022**

Persons entitled: **MOUNT STREET MORTGAGE SERVICING LIMITED**

Brief description: **FREEHOLD LAND KNOWN AS 42 WARWICK ROAD, KENILWORTH CV8 1HE (TITLE NUMBER WK319539). SEE CHARGE FOR FURTHER DETAILS.**

Contains fixed charge(s).

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

Contains negative pledge.

Chargor acting as a bare trustee for the property.

Authentication of Form

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

Authentication of Instrument

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

**COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION
FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by: **BURGES SALMON LLP (CH13)**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2020520

Charge code: 0202 0520 0022

The Registrar of Companies for England and Wales hereby certifies that a charge dated 7th January 2020 and created by MERCIA REAL ESTATE PROPERTIES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 8th January 2020 .

Given at Companies House, Cardiff on 9th January 2020

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated 07 January 2020 ~~2019~~

88.

SECURITY AGREEMENT

**MERCIA REAL ESTATE ENFIELD LIMITED and MERCIA
REAL ESTATE PROPERTIES LIMITED** (1)
as Chargors

and

MOUNT STREET MORTGAGE SERVICING LIMITED (2)
as Security Agent

CONTENTS

Clause	Heading	Page
1	DEFINITIONS AND INTERPRETATION	3
2	CREATION OF SECURITY	7
3	RESTRICTIONS ON DEALINGS	12
4	LAND	12
5	INVESTMENTS	14
6	ACCOUNTS	15
7	HEDGING	16
8	INSURANCES	16
9	OTHER CONTRACTS	16
10	WHEN SECURITY BECOMES ENFORCEABLE	17
11	ENFORCEMENT OF SECURITY	17
12	RECEIVER	19
13	POWERS OF RECEIVER	20
14	APPLICATION OF PROCEEDS	23
15	EXPENSES AND INDEMNITY	23
16	DELEGATION	23
17	FURTHER ASSURANCES	24
18	POWER OF ATTORNEY	24
19	MISCELLANEOUS	25
20	RELEASE	25
21	SECURITY AGENT PROVISIONS	26
22	GOVERNING LAW	26

EXECUTION VERSION

Schedule 1 - Security Assets.....	27
Part A - Real Property.....	27
Part B - Shares.....	31
Part C - Accounts	31
Schedule 2 - Forms of Letter for Occupational Tenants	32
Part A - Notice to Occupational Tenant	32
Part B - Acknowledgement of Occupational Tenant.....	34
Schedule 3 - Forms of Letter for Account Bank.....	36
Part A - Notice to Account Bank.....	36
Part B - Acknowledgement of Account Bank	38
Schedule 4 - Forms of Letter for Hedge Counterparty.....	40
Part A - Notice to Hedge Counterparty	40
Part B - Acknowledgement of Hedge Counterparty	42
Schedule 5 - Forms of Letter for Insurers.....	44
Part A - Notice to Insurer	44
Part B - Acknowledgement of Insurer.....	46
Schedule 6 - Forms of Letter for Other Contracts.....	47
Part A - Notice to Counterparty	47
Part B - Acknowledgement of Counterparty.....	49

THIS DEED is dated

07 January 2020

2019 and is made

BS-

BETWEEN:

- (1) **MERCIA REAL ESTATE ENFIELD LIMITED** a company incorporated in England and Wales with company registration number 03247667 and **MERCIA REAL ESTATE PROPERTIES LIMITED** a company incorporated in England and Wales with company registration number 02020520, each having its registered office at ^{Maddox House, 117} ~~41 St James's Place,~~ ^{Edmond Street, Birmingham, B3 2HS} First Floor, London, England, SW1A 1NE (each a "**Chargor**", together the "**Chargors**"; and
- (2) **MOUNT STREET MORTGAGE SERVICING LIMITED**, a company registered in England and Wales with company registration no. 03411668 having its registered office at 10 Queen Street Place, London, EC4R 1AG as security agent for the Secured Parties (as defined in the Facility Agreement defined below) (the "**Security Agent**").

BS-

BACKGROUND

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

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"**Account**" means the "Accounts" as defined in the Facility Agreement, including without limitation the accounts detailed in Part C of Schedule 1 (*Security Assets*)

"**Act**" means the Law of Property Act 1925.

"**Facility Agreement**" means the facility agreement dated on or around the date of this Deed and made between, amongst others, the Chargors (as borrowers), the Original Lender and the Security Agent.

"**General Account**" means the "General Account" as defined in the Facility Agreement.

"Investments" means all present and future certificated stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by any Chargor, including (but not limited to):

- (a) the Shares;
- (b) any dividend, interest or other distribution paid or payable in relation to any of the Investments; and
- (c) any right, money, shares or property accruing, offered or issued at any time in relation to any of the Investments by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

"Mortgaged Property" means all freehold or leasehold property from time to time the subject of any security created by this Deed including, but without limitation, the properties more particularly described in Schedule 1Part A (*Real Property*), and such properties included in the definition of Security Asset.

"Party" means a party to this Deed.

"Receiver" means a receiver or receiver and manager or administrative receiver, in each case appointed under this Deed.

"Relevant Contract" means:

- (a) an appointment of a Managing Agent;
- (b) each contract in respect of any disposal of any Security Asset;
- (c) an agreement relating to the purchase of a Property by the Chargors;
- (d) each Lease Document; or
- (e) any other agreement to which any Chargor is a party and which the Security Agent and the relevant Chargor has designated as a Relevant Contract.

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of any Borrower to any Secured Party under each Finance Document.

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

"Security Period" means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

"Shares" means:

- (f) the shares detailed in Part B of Schedule 1 (*Security Assets*) issued to any Chargor;
- (g) any further shares substituted or added from time to time pursuant to the provisions of this Deed;
- (h) any additional shares in the issued share capital of the "Issued by" companies listed in Part B of Schedule 1 (*Security Assets*) legally or beneficially owned by any Chargor after the date of this Deed which shall include those shares as consolidated, subdivided or re-organised from time to time.

1.2 Construction

- (a) Capitalised terms defined in the Facility Agreement have the same meaning in this Deed unless expressly defined in this Deed.
- (b) The provisions of clause 1.2 (*Interpretation*) and clause 1.3 (*Agent and Security Agent*) of the Facility Agreement apply to this Deed as though they were set out in full in this Deed except that references to the Facility Agreement will be construed as references to this Deed.
- (c) Unless a contrary indication appears, a reference in this Deed to:
 - (i) a Finance Document or Transaction Document or any other agreement or instrument is a reference to that Finance Document or Transaction Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
 - (ii) any **"rights"** in respect of an asset includes:
 - (A) all amounts and proceeds paid or payable;
 - (B) all rights to make any demand or claim; and
 - (C) all powers, remedies, causes of action, security, guarantees and indemnities,in each case in respect of or derived from that asset;
 - (iii) any **"share"**, **"stock"**, **"debenture"**, **"bond"** or **"other security"** or **"investment"** includes:
 - (A) any dividend, interest or other distribution paid or payable;

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

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

- (iv) the term "**this Security**" means any Security Interest created by this Deed.
- (d) Any covenant of a Chargor under this Deed (other than a payment obligation which has been discharged) remains in force during the Security Period.
- (e) The terms of the other Finance Documents and of any other agreement or instrument between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition, or any agreement for the disposition, of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (f) If the Security Agent considers that an amount paid to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (g) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (c) Any Receiver may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to paragraph (b) above and the provisions of the Contracts (Rights of Third Parties) Act 1999.

1.4 Benefit

The provisions of this Deed are for the benefit of the Security Agent as agent and security trustee for and on behalf of the Secured Parties.

2 CREATION OF SECURITY

2.1 General

- (a) Each Chargor must pay or discharge the Secured Liabilities in the manner provided for in the Finance Documents.
- (b) All the security created under this Deed:
 - (i) is created in favour of the Security Agent;
 - (ii) is created over present and future assets of each Chargor;
 - (iii) is security for the payment of all the Secured Liabilities; and
 - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (c) If the granting of any Security Interest in respect of any Security Asset is prohibited:
 - (i) the relevant Chargor must notify the Security Agent promptly;
 - (ii)
 - (A) if the Security Asset constitutes a right under any contract, this Security will constitute security over all proceeds and other amounts which the relevant Chargor may receive, or has received, under the relevant contract but will exclude the relevant Chargor's other rights under that contract;
 - (B) otherwise, the relevant Chargor shall hold that Security Asset in trust for the Security Agent;
 - (iii) unless the Security Agent otherwise requires, the relevant Chargor must:
 - (A) in respect of any consent or waiver required for the granting of Security Interests in respect of that Security Asset:
 - 1) promptly apply for such consent or waiver; and
 - 2) if such consent or waiver is not to be unreasonably withheld, use its best endeavours to promptly obtain such consent, otherwise it shall use all reasonable endeavours to promptly obtain such consent or waiver;

- (B) in respect of any condition required to be met or satisfied for the granting of Security Interests in respect of that Security Asset, use its reasonable endeavours to promptly satisfy the relevant condition; and
 - (C) in all cases, keep the Security Agent informed of the progress in respect of such consent, waiver or condition; and
- (iv) if the relevant Chargor obtains the required consent or waiver or satisfies the relevant condition:
 - (A) the relevant Chargor must notify the Security Agent promptly; and
 - (B) that Security Asset will immediately be secured in accordance with Clause 2.2 (*Land*) to 2.11 (*Floating charge*) as appropriate.
- (d) The Security Agent holds the benefit of this Deed and this Security on trust for the Secured Parties.

2.2 Land

- (a) Each Chargor charges:
 - (i) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it (other than any freehold or leasehold property in Scotland) including, without limitation, the real property (if any) specified in Part A of Schedule 1 (*Security Assets*); and
 - (ii) (to the extent that they are not either (A) the subject of a mortgage under paragraph (i) above or (B) freehold or leasehold property in Scotland) by way of a first fixed charge all estates or interests in any freehold or leasehold property now or subsequently owned by it.
- (b) A reference in this Clause 2 to a mortgage or charge of any freehold or leasehold property includes:
 - (i) all buildings, fixtures, fittings and fixed plant and machinery on that property; and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the relevant Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

2.3 Investments

Each Chargor charges by way of a first fixed charge its interest in all the Investments.

2.4 Plant and machinery

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

2.5 Credit balances

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

2.6 Book debts etc.

- (a) Each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption;
 - (i) all of its Subordinated Debt;
 - (ii) all of its book and other debts;
 - (iii) all other moneys due and owing to it; and
 - (iv) the benefit of all rights in relation to any item under paragraphs (i) to (iii) above.
- (b) To the extent they have not been effectively assigned under paragraph (a), each Chargor charges by way of first fixed charge all of the assets listed in paragraph (a) above.

2.7 Insurances

- (a) Each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights under any contract or policy of insurance taken out by it or on its behalf or in which it has an interest (together, the **"Insurance Rights"**).

- (b) To the extent that they have not been effectively assigned under paragraph (a) above, each Chargor charges by way of a first fixed charge all of its Insurance Rights.

2.8 Hedging

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

2.9 Other contracts

- (a) Each Chargor:
 - (i) assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights:
 - (A) under each Lease Document;
 - (B) in respect of all Rental Income;
 - (C) under any guarantee of Rental Income contained in or relating to any Lease Document;
 - (D) under each Relevant Contract; and
 - (E) under any document, agreement or instrument to which it and any nominee or trustee is party in respect of an Investment; and
 - (ii) charges by way of a first fixed charge all of its rights under any other document, agreement or instrument to which it is a party except to the extent that it is subject to any fixed security created under any other term of this Clause 2.
- (b) To the extent that they have not been effectively assigned under paragraph (a)(i) above, each Chargor charges by way of a first fixed charge all of its rights listed under paragraph (a)(i) above.

2.10 Miscellaneous

Each Chargor charges by way of first fixed charge:

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

- (c) the right to recover and receive compensation which may be payable to it in respect of any Authorisation referred to in paragraph (b) above;
- (d) its uncalled capital; and
- (e) the benefit of all rights in relation to any item under paragraphs (a) to (d) above.

2.11 Floating charge

- (a) Each Chargor charges by way of a first floating charge all its assets not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, fixed charge or assignment under this Clause 2.
- (b) Except as provided below, the Security Agent may by notice to the Chargors convert the floating charge created by this Clause 2.11 (*Floating charge*) into a fixed charge as regards any of the Chargors' assets specified in that notice if:
 - (i) an Event of Default is continuing; or
 - (ii) the Security Agent considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- (c) The floating charge created by this Clause 2.11 (*Floating charge*) may not be converted into a fixed charge solely by reason of:
 - (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium,
 under section 1A of the Insolvency Act 1986.
- (d) The floating charge created by this Clause 2.11 (*Floating charge*) will (in addition to the circumstances when this may occur under the general law) automatically convert into a fixed charge over all of the Chargors' assets if:
 - (i) the Chargors:
 - (A) create, or attempt to create, any Security Interest or a trust in favour of any person over all or any part of the Security Assets; or
 - (B) dispose, or attempts to dispose, of all or any part of the Security Assets (other than any Security Asset which are subject only to the floating charge created by this Clause 2.11 (*Floating Charge*) while it remains uncrystallised).

without the prior written consent of the Security Agent or as permitted by the terms of the Finance Documents;

- (ii) any person levies, or attempts to levy, any distress, attachment, execution or other legal process against all or any part of the Security Assets;
 - (iii) a resolution is passed or an order is made for the winding-up, dissolution, administration or reorganisation of the Chargors; or
 - (iv) an administrator is appointed to the Chargors or the Security Agent receives notice of an intention to appoint an administrator to the Chargors.
- (e) The floating charge created by this Clause 2.11 (*Floating charge*) is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

3 RESTRICTIONS ON DEALINGS

3.1 Security

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

3.2 Disposals

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

4 LAND

4.1 Notices to tenants

Each Chargor must:

- (a) deliver to the Security Agent a notice of assignment, substantially in the form of Part A of Schedule 2 (*Forms of Letter for Occupational Tenants*) in respect of each tenant of the Mortgaged Property and the Security Agent may, and is irrevocably authorised by the relevant Chargor to serve such notice(s) at any time following the occurrence of a Default which is continuing at the Security Agent's discretion; and

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

4.2 Acquisitions

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

- (a) notify the Security Agent immediately;
- (b) immediately on request by the Security Agent and at the cost of the relevant Chargor, execute and deliver to the Security Agent a legal mortgage over that property in favour of the Security Agent in any form which the Security Agent may require; and
- (c)
 - (i) if the title to that freehold or leasehold property is registered at the Land Registry or required to be so registered, give the Land Registry written notice of this Security; and
 - (ii) if applicable, ensure that this Security is correctly noted against that title in the title register at the applicable Land Registry.

4.3 Land Registry

- (a) Each Chargor consents to a restriction in the following terms being entered into on the Register of Title relating to any Mortgaged Property registered at the Land Registry:
- (b) "No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of [] referred to in the charges register or their conveyancer. (Standard Form P)".

4.4 Deposit of title deeds

Each Chargor must immediately:

- (a) deposit with the Security Agent, or as the Security Agent may direct, all deeds and documents necessary to show good and marketable title to any property referred to in Clause 4.2 (*Acquisitions*) (the **Title Documents**);
- (b) procure that the Title Documents are held at the applicable Land Registry to the order of the Security Agent; or

- (c) procure that the Title Documents are held to the order of the Security Agent by a firm of solicitors approved by the Security Agent for that purpose.

5 INVESTMENTS

5.1 Deposit

Each Chargor must immediately:

- (a) deposit with the Security Agent, or as the Security Agent may direct, all certificates and other documents of title or evidence of ownership in relation to the Investments; and
- (b) execute and deliver to the Security Agent all duly executed but undated share transfers and other documents which may be requested by the Security Agent in order to enable the Security Agent or its nominees to be registered as the owner of or otherwise obtain a legal title to its Investments at any time and without notice to the relevant Chargor.

5.2 Calls

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

5.3 Other obligations in respect of Investments

- (a) Each Chargor must promptly send a copy to the Security Agent of, and comply with all requests for, information which is within its knowledge and which are made under any law or regulation or any similar provision contained in any articles of association or other constitutional document, or by any listing or other authority, relating to any of its Investments. If it fails to do so, the Security Agent may elect to provide such information as it may have on behalf of the relevant Chargor.
- (b) Each Chargor must comply with all other conditions and obligations assumed by it in respect of any of its Investments.
- (c) The Security Agent is not obliged to:
 - (i) perform any obligation of the relevant Chargor;

- (ii) make any payment;
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or the relevant Chargor; or
 - (iv) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,
- in respect of any of the Investments.

5.4 Voting rights

- (a) All dividends, distributions or other income paid or payable to the relevant Chargor in relation to any of its Investments in accordance with the Facility Agreement must be paid into the General Account.
- (b) Each Chargor must indemnify the Security Agent against any loss or liability incurred by the Security Agent as a consequence of the Security Agent acting in respect of any of its Investments as permitted by this Deed.
- (c) After this Security has become enforceable, the Security Agent may exercise (in the name of the relevant Chargor and without any further consent or authority on the part of the relevant Chargor) any voting rights and any powers or rights which may be exercised by the legal or beneficial owner of any Investment, any person who is the holder of any Investment or otherwise.

6 ACCOUNTS

6.1 General

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

6.2 Book debts and receipts

- (a) Each Chargor must get in and realise its:
 - (i) Rental Income and other amounts due from tenants or any other occupiers of the Mortgaged Property; and
 - (ii) book and other debts and other moneys due and owing to it,

in the ordinary course of its business and hold the proceeds of the getting in and realisation (until payment into an Account if required in accordance with paragraph (b) below) on trust for the Security Agent.

- (b) Each Chargor must, except to the extent that the Security Agent otherwise agrees, pay all the proceeds of the getting in and realisation into an Account in accordance with the Facility Agreement.

6.3 Notices of charge

Each Chargor must:

- (a) immediately serve a notice of charge, substantially in the form of Part A of Schedule 3 (*Forms of Letter for Account Bank*), on each Account Bank in respect of any Account; and
- (b) use reasonable endeavours to ensure that each Account Bank acknowledges the notice, substantially in the form of Part B of Schedule 3 (*Forms of Letter for Account Bank*).

7 HEDGING

Each Chargor must:

- (a) immediately serve a notice of assignment, substantially in the form of Part A of Schedule 4 (*Forms of Letter for Hedge Counterparty*), on each counterparty to a Hedging Agreement; and
- (b) use reasonable endeavours to ensure that such counterparty acknowledges that notice, substantially in the form of Part B of Schedule 4 (*Forms of Letter for Hedge Counterparty*).

8 INSURANCES

Each Chargor must:

- (a) immediately serve a notice of assignment, substantially in the form of Part A of Schedule 5 (*Forms of Letter for Insurers*), on each counterparty to an Insurance; and
- (b) use reasonable endeavours to ensure that such counterparty acknowledges that notice, substantially in the form of Part B of Schedule 5 (*Forms of Letter for Insurers*).

9 OTHER CONTRACTS

Each Chargor must, at the request of the Security Agent:

- (a) immediately serve a notice of assignment or charge (as applicable), substantially in the form of Part A of Schedule 6 (*Forms of Letter for Other Contracts*), on each counterparty to a contract listed in Clause 2.9 (*Other contracts*); and

- (b) use reasonable endeavours to ensure that each such party acknowledges that notice, substantially in the form of Part B of Schedule 6 (*Forms of Letter for Other Contracts*).

10 WHEN SECURITY BECOMES ENFORCEABLE

10.1 Event of Default

This Security will become immediately enforceable if:

- (a) an Event of Default occurs and is continuing; or
- (b) any Chargor requests the Security Agent to exercise any of its powers under this Deed.

10.2 Discretion

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

10.3 Statutory powers

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

11 ENFORCEMENT OF SECURITY

11.1 General

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- (c) The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with any provision of section 99 or section 100 of the Act.

11.2 No liability as mortgagee in possession

Neither the Security Agent nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss

on realisation or for any default or omission for which a mortgagee in possession might be liable.

11.3 Privileges

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

11.4 Protection of third parties

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

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

11.5 Redemption of prior mortgages

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

11.6 Contingencies

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

11.7 Financial collateral

- (a) To the extent that the Security Assets constitute **“financial collateral”** and this Deed and the obligations of the Chargors under this Deed constitute a **“security financial collateral arrangement”** (in each case, for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003), the Security Agent will have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.
- (b) Where any financial collateral is appropriated:
 - (i) if it is listed or traded on a recognised exchange, its value will be taken as being the value at which it could have been sold on the exchange on the date of appropriation; or
 - (ii) in any other case, its value will be such amount as the Security Agent reasonably determines having taken into account advice obtained by it from an independent commercial property adviser, investment bank or accountancy firm of national standing selected by it,

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

12 RECEIVER

12.1 Appointment of Receiver

- (a) Except as provided below, the Security Agent may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) the Chargors so request to the Security Agent at any time.
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.
- (d) The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under section 1A of the Insolvency Act 1986.

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

12.2 Removal

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

12.3 Remuneration

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

12.4 Agent of the Chargors

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

12.5 Relationship with Security Agent

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

13 POWERS OF RECEIVER

13.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause 13 in addition to those conferred on it by any law. This includes:
 - (i) in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986; and

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

(b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him/her states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

13.2 Possession

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

13.3 Carry on business

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

13.4 Employees

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

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

13.5 Borrow money

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

13.6 Sale of assets

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

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

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

13.7 Leases

A Receiver may let any Security Asset for any term and at any rent (with or without a premium) which he/she thinks fit and may accept a surrender of any lease or tenancy of

any Security Asset on any terms which he/she thinks fit (including the payment of money to a lessee or tenant on a surrender).

13.8 Compromise

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

13.9 Legal actions

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

13.10 Receipts

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

13.11 Subsidiaries

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

13.12 Delegation

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

13.13 Lending

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

13.14 Protection of assets

A Receiver may:

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

in each case as he/she thinks fit.

13.15 Other powers

A Receiver may:

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

14 APPLICATION OF PROCEEDS

All amounts from time to time received or recovered by the Security Agent or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or part of this Security will be held by the Security Agent and applied in accordance with the Facility Agreement. This Clause 14:

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

15 EXPENSES AND INDEMNITY

The Chargors must:

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

16 DELEGATION

16.1 Power of Attorney

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

16.2 Terms

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

16.3 Liability

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

17 FURTHER ASSURANCES

- (a) Each Chargor must promptly, at its own expense, take whatever action the Security Agent or a Receiver may require for:
 - (i) creating, perfecting or protecting any security over any Security Asset;
or
 - (ii) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Security Agent or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset.
- (b) The action that may be required under paragraph (a) above includes:
 - (i) the execution of any mortgage, charge, transfer, conveyance, assignment or assurance of any asset, whether to the Security Agent or to its nominees; or
 - (ii) the giving of any notice, order or direction and the making of any filing or registration,

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

18 POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their respective delegates or sub-delegates to be its attorney with the full power and authority of the relevant Chargor to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case which may be required or which any attorney may in its absolute discretion deem necessary for carrying out any obligation of the relevant Chargor under or pursuant to this Deed or generally for enabling the Security Agent or any Receiver to exercise the respective powers conferred on them

under this Deed or by law. Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 18.

19 MISCELLANEOUS

19.1 Continuing Security

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

19.2 Tacking

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

19.3 New Accounts

- (a) If any subsequent charge or other interest affects any Security Asset, a Secured Party may open a new account with the relevant Chargor.
- (b) If that Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.
- (c) As from that time all payments made to that Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

19.4 Time deposits

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

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

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

20 RELEASE

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

21 SECURITY AGENT PROVISIONS

- (a) The Security Agent executes this Deed in the exercise of the rights, powers and authority conferred and vested in it under the Facility Agreement and any other Finance Document for and on behalf of the Secured Parties for whom it acts. It will exercise its powers, rights, duties and authority under this Deed in the manner provided for in the Facility Agreement and, in so acting, it shall have the protections, immunities, limitations of liability, rights, powers, authorisations, indemnities and benefits conferred on it under and by the Facility Agreement and the other Finance Documents (without prejudice to any additional rights or protections set out herein).
- (b) Without prejudice to clause 26.2 (*No Fiduciary Duties*) of the Facility Agreement, the Security Agent shall not owe any fiduciary duties to any Party to this Deed or any of their directors, employees, agents or affiliates.
- (c) Notwithstanding any other provisions of this Deed, in acting under and in accordance with this Deed the Security Agent is entitled to seek instructions from the relevant Secured Parties in accordance with the provisions of the Facility Agreement and at any time, and where it so acts or refrains from acting on the instructions of a Finance Party or Secured Parties entitled to give it instructions, the Security Agent shall not incur any liability to any person for so acting or refraining from acting.

22 GOVERNING LAW

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

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

Schedule 1

Security Assets

Part A

Real Property

Chargor	Address of Property	Freehold or Leasehold	Land Registry description	Title Number
Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited	Unit A, Block 2B and Units 12, 16 and 20 Stafford Park 17, Telford TF3 3DN	Freehold	a) Unit A, Block 2B, Stafford Park 17, Telford b) Units 12 and 20, Stafford Park 17, Telford and c) Unit 16, Stafford Park 17, Telford and car parking spaces	a) SL90067 b) SL90431 c) SL99407
Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited	Units 1-10 Walmsley Court and Units 1-3 Cunliffe Court, Clayton Business Park, Blackburn BB5 5JQ and Units 4-7 Petre Road, Clayton Business Park, Blackburn BB5 5JB	Freehold	Land lying on the north side of Blackburn Road, Clayton-le-Moors	LA849037
Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited	Units 12 to 15 Maybrook Business Park (formerly Castle Vale Industrial Estate), Maybrook Road, Minworth, Sutton Coldfield B76 1AL	Freehold	Units 12/15 Castle Vale Industrial Estate, Sutton Coldfield	WK155028
Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited	Unit 46, Site 3B, Park Farm Industrial Estate, Crossgate Road, Redditch B98 7SN	Freehold	Unit 46, Site 3B Park Farm, Crossgate Road, Park Farm Industrial Estate, Redditch	HW162609
Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited	Units 8-10 and 31-34, Enfield Industrial Estate, Redditch B97 6BY	Freehold	Units 8-10 and 31-34, Enfield Industrial Estate Redditch	HW162613

Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited	Units at Road Three Industrial Estate, Wallace Court, Winsford CW7 3PD	Freehold	Land on South-West side of Road Three, Winsford Industrial Estate, Winsford	CH187640
Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited	Monarch Mews, 39-47 (odd) Kettering Road, Northampton NN1 4AJ	Freehold	39-47 (odd), Kettering Road, Northampton	NN152778
Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited	Units 2, 3, 4 and 8 Abbotsbury Court, St Peters Drive, Worcester WR5 3TY	Freehold	Land on the south-east side of St Peter's Drive, Worcester	HW60640
Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited	Saltbrook Trading Estate, Saltbrook Road, Halesowen, Dudley B63 2QU	a) Freehold b) Freehold c) Leasehold d) Leasehold e) Leasehold f) Leasehold g) Leasehold h) Leasehold i) Leasehold j) Leasehold k) Leasehold l) Leasehold m) Leasehold n) Leasehold o) Leasehold p) Leasehold q) Leasehold r) Leasehold s) Leasehold t) Leasehold	a) Land and buildings at Saltbrook Trading Estate, Saltbrook Road, Halesowen, Dudley b) Land lying to the east of Saltbrook Road, Halesowen c) Unit 6, Saltbrook Trading Estate, Saltbrook Road, Halesowen B63 2QU d) Unit 7 – Saltbrook Trading Estate, Saltbrook Road, Halesowen B63 2QU e) Unit 8 – Saltbrook Trading Estate, Saltbrook Road, Halesowen B63 2QU f) Unit 9 – Saltbrook Trading Estate, Saltbrook Road, Halesowen B63 2QU g) Unit 10 – Saltbrook Trading Estate, Saltbrook Road, Halesowen B63 2QU	a) WM897918 b) WM961247 c) WM818639 d) WM818644 e) WM665172 f) WM665175 g) WM665178 h) WM665182 i) WM669245 j) WM669246 k) WM669247 l) WM669244 m) WM665184 n) WM665428 o) WM665192 p) WM665195 q) WM818800 r) WM665198 s) WM703993 t) WM665201

			<p>h) Unit 11 – Saltbrook Trading Estate, Saltbrook Road, Halesowen B63 2QU</p> <p>i) Unit 12 – Saltbrook Trading Estate, Saltbrook Road, Halesowen B63 2QU</p> <p>j) Unit 13 – Saltbrook Trading Estate, Saltbrook Road, Halesowen B63 2QU</p> <p>k) Unit 14 – Saltbrook Trading Estate, Saltbrook Road, Halesowen B63 2QU</p> <p>l) Unit 15 – Saltbrook Trading Estate, Saltbrook Road, Halesowen B63 2QU</p> <p>m) Unit 17 – Saltbrook Trading Estate, Saltbrook Road, Halesowen B63 2QU</p> <p>n) Unit 18 – Saltbrook Trading Estate, Saltbrook Road, Halesowen B63 2QU</p> <p>o) Unit 19 – Saltbrook Trading Estate, Saltbrook Road, Halesowen B63 2QU</p> <p>p) Unit 20 – Saltbrook Trading Estate, Saltbrook Road, Halesowen B63 2QU</p> <p>q) Units 21 + 24 – Saltbrook Trading Estate, Saltbrook Road, Halesowen B63 2QU</p> <p>r) Unit 22 – Saltbrook Trading Estate, Saltbrook Road, Halesowen B63 2QU</p> <p>s) Unit 23 – Saltbrook Trading Estate, Saltbrook Road, Halesowen B63 2QU</p>	
--	--	--	---	--

			t) Unit 25 – Saltbrook Trading Estate, Saltbrook Road, Halesowen B63 2QU	
Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited	Units 9 and 39 and land at Coneygre Industrial Estate, Burnt Tree, Tipton DY4 8XP	Freehold	Land being part of Coneygre Industrial Estate, Burnt Tree, Tipton	WM63740
Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited	74 Whitemoor Road, Kenilworth CV8 2BP	Freehold	74 Whitemoor Road, Kenilworth CV8 2BP	WK351119
Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited	Unit and land on north side of High Street, Pensnett Brierley Hill DY5 4RP	Freehold	a) Land on north side of High Street, Pensnett, Brierley Hill b) Land on north side of High Street	a) SF82144 b) WM2506
Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited	118,118a,118b,120, 120a, 120b,122, 122a, 122b and 124 Regent Street, Leamington Spa CV32 4NR and 41 to 49a (odd) Regent Grove and Apartments 1 to 9 Lantern Court, Regent Grove, Leamington Spa CV32 4AP	Freehold	Land and buildings at Regent Street, Leamington Spa CV32 4AY	WK423390
Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited	1-8 Dundas Spur and 1-2a Dundas Close, Portsmouth PO3 5NL	Freehold	1-8 Dundas Spur and 1-2a Dundas Close, Portsmouth PO3 5RB	PM16620
Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited	175 Dudley Port, Tipton DY4 7RG	Freehold	a) Land and buildings on the north west side of Dudley Port, Tipton b) Land on the north west side of Dudley Port, Tipton	a) WM367951 b) WM835455

Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited	Unit 4, Hermes Court, Hermes Close, Warwick CV34 6NJ	Leasehold	Unit 4, Hermes Court, Hermes Close, Warwick CV34 6NJ	WK433752
Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited	Blackfriars House, West Street, Warwick CV34 6AN	Freehold	Blackfriars House, West Street, Warwick CV34 6AN	WK186688
Mercia Real Estate Properties Limited	42 Warwick Road, Kenilworth CV8 1HE	Freehold	42 Warwick Road, Kenilworth CV8 1HE	WK319539

Part B

Shares

None as at the date of this Deed

Part C

Accounts

Account Bank	Account Number	Sort Code	Designated
--------------	----------------	-----------	------------

None as at the date of this Deed

Schedule 2

Forms of Letter for Occupational Tenants

Part A

Notice to Occupational Tenant

To: [Occupational tenant]

Copy: FAO: Francis Raji
Mount Street Mortgage Servicing Limited (as Security Agent)
Woolgate Exchange
25 Basinghall Street
London
EC2V 5HA

[Date]

Dear Sirs,

Re: [Property address]

Security Agreement dated 2019 (the "Security Agreement") between Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited (the "Chargors") and Mount Street Mortgage Servicing Limited (the "Security Agent")

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

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

We confirm that:

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

We will also remain entitled to exercise all our rights, powers and discretions under the Lease, and you should continue to give notices under the Lease to us, unless and until you receive notice from the Security Agent to the contrary stating that the security under the Security Agreement has

become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and all notices must be given to, the Security Agent or as it directs.

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

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

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

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

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Security Agent at Woolgate Exchange, 25 Basinghall Street, London, EC2V 5HA, and for the attention of Francis Raji, with a copy to us.

Yours faithfully,

.....

(Authorised Signatory)

Mercia Real Estate Enfield Limited

.....

(Authorised Signatory)

Mercia Real Estate Properties Limited

Part B

Acknowledgement of Occupational Tenant

To: FAO: Francis Raji
 Mount Street Mortgage Servicing Limited (as Security Agent)
 Woolgate Exchange
 25 Basinghall Street
 London
 EC2V 5HA

Attention: []

[Date]

Dear Sirs,

Re: [Property address]

Security Agreement dated 2019 (the "Security Agreement") between Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited (the "Chargors") and Mount Street Mortgage Servicing Limited (the "Security Agent")

We confirm receipt from the Chargors of a notice dated _____ (the "**Notice**") in relation to the Lease (as defined in the Notice).

We confirm that we:

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

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

Yours faithfully,

.....
For

[Occupational tenant]

Schedule 3

Forms of Letter for Account Bank

Part A

Notice to Account Bank

To: [Account Bank]

Copy: FAO: Francis Raji

Mount Street Mortgage Servicing Limited (as Security Agent)

Woolgate Exchange

25 Basinghall Street

London

EC2V 5HA

[Date]

Dear Sirs,

Security Agreement dated 2019 (the "Security Agreement") between Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited (the "Chargors") and Mount Street Mortgage Servicing Limited (the "Security Agent")

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

Account Name	Sort Code	Account Number

We irrevocably instruct and authorise you to:

- (g) disclose to the Security Agent any information relating to any Account requested from you by the Security Agent;
- (h) comply with the terms of any written notice or instruction relating to any Account received by you from the Security Agent;
- (i) hold all sums standing to the credit of any Account to the order of the Security Agent; and

- (i) in respect of any Account other than our account with [●] (account number [●], sort code [●]) (the "General Account"), pay or release any sum standing to the credit of any such Account in accordance with the written instructions of the Security Agent.

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

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

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

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

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

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Agent at Woolgate Exchange, 25 Basinghall Street, London EC2V 5HA, and for the attention of Francis Raji, with a copy to us.

Yours faithfully,

.....

(Authorised Signatory)

Mercia Real Estate Enfield Limited

.....

(Authorised Signatory)

Mercia Real Estate Properties Limited

Part B

Acknowledgement of Account Bank

To: FAO: Francis Raji
Mount Street Mortgage Servicing Limited (as Security Agent)
Woolgate Exchange
25 Basinghall Street
London
EC2V 5HA

Copy: Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited

~~41 St. James's Place, First Floor, London, England, SW1A 1NS~~
Maddox House, 117 Edmund Street, Birmingham, England, B3 2HT

03.

[Date]

Dear Sirs,

**Security Agreement dated 2019 (the "Security Agreement") between
Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited (the
"Chargors") and Mount Street Mortgage Servicing Limited (the "Security Agent")**

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

We confirm that we:

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

The Accounts maintained with us are: [Specify accounts and account numbers]

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

Yours faithfully,

.....

(Authorised signatory)

Schedule 4

Forms of Letter for Hedge Counterparty

Part A

Notice to Hedge Counterparty

To: [Hedge Counterparty]

Copy: FAO: Francis Raji

Mount Street Mortgage Servicing Limited (as Security Agent as defined below)
Woolgate Exchange
25 Basinghall Street
London
EC2V 5HA

[Date]

Dear Sirs,

Security Agreement dated 2019 (the "Security Agreement") between Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited (the "Chargors") and Mount Street Mortgage Servicing Limited (the "Security Agent")

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

We irrevocably instruct and authorise you to:

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

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

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

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

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Security Agent at [address] with a copy to us.

Yours faithfully,

.....

(Authorised signatory)

Mercia Real Estate Enfield Limited

.....

(Authorised signatory)

Mercia Real Estate Properties Limited

Part B

Acknowledgement of Hedge Counterparty

To: FAO: Francis Raji
Mount Street Mortgage Servicing Limited (as Security Agent)
Woolgate Exchange
25 Basinghall Street
London
EC2V 5HA

Copy: Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited

~~41 St. James's Place, First Floor, London, England, SW1A 1NS~~

Maddox House, 117 Edmund Street, Birmingham, ~~B3 2HT~~ England, 100 1HT

[Date]

Dear Sirs,

Security Agreement dated 2019 (the "Security Agreement") between Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited (the "Chargors") and Mount Street Mortgage Servicing Limited (the "Security Agent")

We confirm receipt from the Chargors of a notice dated _____ (the “**Notice**”) of an assignment upon the terms of the Security Agreement of all the Chargors’ rights under the Hedging Agreements (as defined in the Notice).

We confirm that we:

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

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

Yours faithfully,

.....
(Authorised signatory)

[Hedge Counterparty]

Schedule 5

Forms of Letter for Insurers

Part A

Notice to Insurer

To: [Insurer]

Copy: FAO: Francis Raji
Mount Street Mortgage Servicing Limited (as Security Agent)
Woolgate Exchange
25 Basinghall Street
London
EC2V 5HA

[Date]

Dear Sirs,

Security Agreement dated 2019 (the "Security Agreement") between Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited (the "Chargors") and Mount Street Mortgage Servicing Limited (the "Security Agent")

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

We confirm that:

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

We will also remain entitled to exercise all our rights, powers and discretions under the Insurance, and you should continue to give notices and make payments under the Insurance to us (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Security Agent in respect of the Insurance), unless and until you receive notice from the Security Agent to the contrary stating that the security under the Security

Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Security Agent or as it directs (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Security Agent in respect of the Insurance).

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

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

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Agent at Woolgate Exchange, 25 Basinghall Street, London EC2V 5HA, and for the attention of Francis Raji, with a copy to us.

Yours faithfully,

.....

(Authorised signatory)

Mercia Real Estate Enfield Limited

.....

(Authorised signatory)

Mercia Real Estate Properties Limited

Part B

Acknowledgement of Insurer

To: FAO: Francis Raji
 Mount Street Mortgage Servicing Limited (as Security Agent)
 Woolgate Exchange
 25 Basinghall Street
 London
 EC2V 5HA

Copy: Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited

41 St. James's Place, First Floor, London, England, SW1A 1NS
Maddox House, 117 Edmund Street, Birmingham, B3 2HT

[Date]

45.

Dear Sirs,

Security Agreement dated 2019 (the "Security Agreement") between Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited (the "Chargors") and Mount Street Mortgage Servicing Limited (the "Security Agent")

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

We confirm that we:

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

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

Yours faithfully,

(Authorised signatory)

[Insurer]

Schedule 6

Forms of Letter for Other Contracts

Part A

Notice to Counterparty

To: [Contract Counterparty]

Copy: FAO: Francis Raji

Mount Street Mortgage Servicing Limited (as Security Agent)
Woolgate Exchange
25 Basinghall Street
London
EC2V 5HA

[Date]

Dear Sirs,

Security Agreement dated 2019 (the "Security Agreement") between Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited (the "Chargors") and Mount Street Mortgage Servicing Limited (the "Security Agent")

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

We confirm that:

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

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

will be exercisable by, and notices must be given and payments must be made to, the Security Agent or as it directs.

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

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

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Agent at Woolgate Exchange, 25 Basinghall Street, London EC2V 5HA, and for the attention of Francis Raji, with a copy to us.

Yours faithfully,

.....

(Authorised signatory)

Mercia Real Estate Enfield Limited

.....

(Authorised signatory)

Mercia Real Estate Properties Limited

Part B

Acknowledgement of Counterparty

To: FAO: Francis Raji
 Mount Street Mortgage Servicing Limited (as Security Agent)
 Woolgate Exchange
 25 Basinghall Street
 London
 EC2V 5HA

Copy: Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited
~~41 St. James's Place, First Floor, London, England, SW1A 1NS~~
 Maddox House, 117 Edmund Street, Birmingham, England, B3 2NT [Date]

Dear Sirs,

Security Agreement dated 2019 (the "Security Agreement") between Mercia Real Estate Enfield Limited and Mercia Real Estate Properties Limited (the "Chargors") and Mount Street Mortgage Servicing Limited (the "Security Agent")

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

We confirm that we:

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

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

Yours faithfully,

.....

(Authorised signatory)

[Contract counterparty]

EXECUTION PAGE

CHARGORS

Executed as a deed by **MERCIA REAL ESTATE ENFIELD LIMITED** acting by a director, in the presence of:

...

SIGNATURE OF DIRECTOR

Director

SIGNATURE OF WITNESS

Name of Witness
IN BLOCK CAPITALS

JOHN PAUL WATTERSON

Address of Witness

.....

Occupation of Witness

.....
DIRECTOR
.....

Executed as a deed by **MERCIA REAL ESTATE PROPERTIES LIMITED** acting by a director, in the presence of:

.....

SIGNATURE OF DIRECTOR

Director

SIGNATURE OF WITNESS

Name of Witness
IN BLOCK CAPITALS

JOHN PAUL WATTERSON

Address of Witness

.....

Occupation of Witness

.....
DIRECTOR
.....

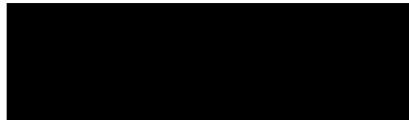
SECURITY AGENT

SIGNED by

Serenity Morley
.....

for and on behalf of

Mount Street Mortgage Servicing Limited



.....
Signature

Address for notices: Mount Street Mortgage Servicing Limited
Woolgate Exchange
25 Basinghall Street
London EC2V 5HA

Email: Francis.Raji@mountstreetllp.com

Attention: Francis Raji