

SECURITY AGREEMENT

16 July 2021

**THE COMPANIES LISTED IN SCHEDULE 1
AS CHARGORS**

and

**ACREFI MORTGAGE LENDING, LLC
AS SECURITY AGENT**

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THIS DEED is dated 16 July 2021 and is made

BETWEEN:

- (1) **THE COMPANIES** listed in Schedule 1 (*Chargors*) as chargors (each a "**Chargor**" and together the "**Chargors**"); and
- (2) **ACREFI MORTGAGE LENDING, LLC** as security agent and trustee for each of the Finance Parties, (the "**Security Agent**").

BACKGROUND:

- (A) Each Chargor enters into this Deed in connection with the Senior Facilities 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. **INTERPRETATION**

1.1 **Definitions**

In this Deed:

Act means the Law of Property Act 1925.

Hedging Arrangements means:

- (a) a Hedge Document;
- (b) any other hedging transaction or arrangement referred to in clause 12.1 (*Terms of Hedge Documents*) of the Senior Facilities Agreement; or
- (c) any other arrangement which may be entered into between Obligor with the effect of transferring the economic benefit derived under (a) or (b) above from one Obligor to another Obligor.

Senior Facilities Agreement means the senior facilities agreement entered into on or about the date of this Deed between, amongst others, Capella UK Holdco 4 Limited as the borrower and ACREFI Mortgage Lending, LLC as the facility agent and the security agent (each as defined in that agreement as amended, varied, novated or supplemented from time to time).

Party means a party to this Deed.

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

Relevant Contract means:

- (a) any document or agreement evidencing or documenting any of the assets referred to in paragraph (a) of clause 2.4 (*Book debts etc.*) and which is governed by English law; and
- (b) at any time when an Event of Default is continuing, any other agreement to which a Chargor is a party and which the Security Agent designates as a Relevant Contract.

Security Assets means all assets of each Chargor the subject of any security created by or pursuant to this Deed and any other Security granted by a Chargor in favour of the Security Agent.

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.

Share Issuer means each entity that has issued shares which are owned by a Chargor or held by a nominee or trustee on behalf of a Chargor.

Subordinated Creditor Liabilities means all present and future liabilities and obligations (both actual and contingent and whether incurred solely or jointly or as principal or surety or in any other capacity together with any of the following matter relating to or arising in respect of those liabilities and obligations) at any time of any Chargor to any Subordinated Creditor (as defined in the Subordination Agreement) as subordinated or purported to be subordinated under the terms of the Subordination Agreement.

1.2 Construction

- (a) Capitalised terms defined in the Senior Facilities Agreement have, unless expressly defined in this Deed, the same meanings in this Deed.
- (b) The provisions of clauses 1.2 (*Construction*) to 1.5 (*Third party rights*) (inclusive) of the Senior Facilities Agreement apply to this Deed as though they were set out in full in this Deed except that references to the Senior Facilities Agreement are to be construed as references to this Deed.
- (c) In this Deed:
 - (i) a reference to a Finance Document or other document includes (without prejudice to any prohibition on amendments) all amendments and supplements however fundamental to that Finance Document or other document, including any amendment or supplement providing for further advances or any extension of or any increase in the amount of a facility or any additional facility;
 - (ii) the term **this Security** means any security created by or pursuant to this Deed;
 - (iii) a reference to any asset, unless the context otherwise requires, includes any present and future asset; and

- (iv) unless the context otherwise requires, the term **enforceable** when used in the context of this Deed means enforceable in accordance with Clause 9.1 (*Event of Default*).
- (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) If the Security Agent considers that an amount paid to a Finance 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.
- (f) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.

2. CREATION OF SECURITY

2.1 General

- (a) 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 and satisfaction of all the Secured Liabilities; and
 - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b) The Security Agent holds the benefit of this Deed on trust for the Finance Parties in accordance with the terms of the Senior Facilities Agreement.

2.2 Securities

- (a) Each Chargor charges by way of a first fixed charge its interest in all shares, stocks, debentures, bonds or other securities and investments, all interests in collective investment schemes and partnerships owned by it or held by any nominee on its behalf (except for any shares, stocks, debentures, bonds or other securities and investments and interests in collective investment schemes and partnerships which are the subject of any Security created by, under or pursuant to any other Transaction Security Document).
- (b) A reference in this Subclause to a mortgage or charge of any stock, share, debenture, bond or other security, investment or partnership interest includes:
 - (i) any dividend, interest or other distribution paid or payable in relation to it; and

- (ii) any right, money or property accruing or offered at any time in relation to it by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

2.3 Credit balances

Each Chargor charges by way of a first fixed charge all of its rights in respect of any amount standing to the credit of any Control Account in England and Wales and the debt represented by it.

2.4 Book debts etc.

- (a) Subject to paragraph (b) below, each Chargor charges by way of a first fixed charge:
 - (i) all of its Subordinated Creditor Liabilities;
 - (ii) all of its book and other debts;
 - (iii) all other moneys due and owing to it;
 - (iv) all amounts which that Chargor may receive, or has received, under any document (but excluding the document itself) where the rights of that Chargor cannot be secured without the consent of a party to that document; and
 - (v) the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under paragraph (i), (ii), (iii) or (iv) above.
- (b) The first fixed charge created by paragraph (a) above shall not apply in respect of, or in relation to, any intercompany loan agreements, the rights under which are the subject of any Security created by, under or pursuant to any other Transaction Security Document.

2.5 Insurances

- (a) Each Chargor assigns by way of security absolutely, subject to a proviso for re-assignment on redemption:
 - (i) all of its rights under any contract of insurance taken out by it or on its behalf or in which it has an interest and in each case which is governed by English law; and
 - (ii) all monies payable and all monies paid to it under or in respect of all such contracts of insurance,

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

2.6 Hedging

- (a) Each Chargor assigns by way of security absolutely, subject to a proviso for re-assignment on redemption, all of its rights under any Hedging Arrangements to which it is a party.
- (b) To the extent that they have not been effectively assigned under paragraph (a) above, each Chargor charges by way of first fixed charge all of its rights under any Hedging Agreement.

2.7 Other contracts

- (a) Each Chargor assigns by way of security, subject to a proviso for re-assignment on redemption, all of its rights under each Relevant Contract.
- (b) To the extent that any right described in paragraph (a) above is not assignable by way of security or capable of assignment by way of security, the assignment by way of security of that right purported to be effected by paragraph (a) operates as an assignment by way of security of any damages, compensation, remuneration, profit, rent or income and all proceeds and other amounts which a Chargor may derive from that right or be awarded or entitled to in respect of that right in each case to the extent assignable by way of security.
- (c) Except to the extent assigned by way of security under paragraph (a) or (b) above or to the extent that it is subject to any fixed security created under any other term of this Clause, each Chargor charges by way of a first fixed charge any agreement, instrument or document to which it and any nominee or trustee is a party.

2.8 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, charge or assignment by way of security under this Deed, except for any assets which are the subject of any Security created by, under or pursuant to any other Transaction Security Document.
- (b) Except as provided below, the Security Agent may (to the extent permissible under applicable law) by notice to a Chargor convert the floating charge created by this Clause into a fixed charge as regards any of that Chargor's 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 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 will (to the extent permissible under applicable law) automatically convert into a fixed charge over all of a Chargor's assets if an administrator is appointed or the Security Agent receives notice of an intention to appoint an administrator.
- (e) The floating charge created by this Clause 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 permitted under the Finance Documents or as created under or pursuant to a Transaction Security Document, no Chargor shall create or permit to subsist any Security on any Security Asset (except for this Security).

3.2 Disposals

Except as permitted under the Finance Documents, no Chargor shall sell, transfer, licence, convey, lease or otherwise dispose of any Security Asset.

4. SECURITIES

4.1 General

In this Clause:

Investments means:

- (a) all shares, stocks, debentures, bonds or other securities and investments and all interests in collective investment schemes and partnerships included in the definition of Security Assets in Clause 1.1 (*Definitions*);
- (b) any dividend or interest paid or payable in relation to any of the above; and
- (c) any right, money or property accruing or offered at any time in relation to any of the above by way of redemption, substitution, exchange, bonus or preference under option rights or otherwise.

4.2 Deposit

Each Chargor must:

- (a) promptly (following receipt of the stamped stock transfer form from HMRC, if applicable) deposit with the Security Agent, or as the Security Agent may direct, all certificates and other documents of title or evidence of ownership and stock transfer forms (executed in blank by it or on its behalf) in relation to any Investment; and

- (b) promptly execute and deliver to the Security Agent all share transfers, partnership interest 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 or otherwise obtain a legal title to any Investment (provided that neither the Security Agent nor any of its nominees will obtain legal title to, or become the registered owner of, any Investment prior to this Security becoming enforceable).

4.3 Changes to rights

Other than as permitted under the Finance Documents no Chargor shall take or allow the taking of any action on its behalf which may result in the rights attaching to any of the Investments being altered or further Investments being issued.

4.4 Calls

- (a) Each Chargor must pay all calls or other payments due and payable in respect of any Investment.
- (b) If a Chargor fails to do so, the Security Agent may pay the calls or other payments in respect of any Investment on behalf of that Chargor. A Chargor must promptly on request in writing reimburse the Security Agent for any payment made by the Security Agent under this Subclause.

4.5 Other obligations in respect of Investments

- (a) Each Chargor must comply with all other conditions and obligations assumed by it in respect of any Investment.
- (b) The Security Agent is not obliged to:
 - (i) perform any obligation of a Chargor;
 - (ii) make any payment;
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or a 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 Investment.

4.6 Financial collateral

- (a) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of a Chargor under this Deed constitute a "security financial collateral arrangement" (in each case, for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003), the Security Agent will have the right whilst this Security is 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, 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.

4.7 Voting rights

- (a) Before this Security becomes enforceable in accordance with Clause 9 (*When Security becomes Enforceable*):
 - (i) each Chargor may continue to exercise (or refrain from exercising) the voting rights, powers and other rights in respect of its Investments; and
 - (ii) all dividends or other income permitted to be paid or payable under the Finance Documents in relation to any Investments must be paid in accordance with the terms of the Finance Documents.
- (b) A Chargor must indemnify the Security Agent or its nominees against any loss or liability incurred by the Security Agent or its nominees as a consequence of the Security Agent or its nominees acting (or refraining from acting) in respect of the Investments on the direction of that Chargor.
- (c) Whilst this Security is enforceable in accordance with Clause 9 (*When Security becomes Enforceable*):
 - (i) the Security Agent or its nominees may elect by written notice to a Chargor (other than at any time after the Facility Agent has provided notice to the Company pursuant to clause 25.18 (*Acceleration*) of the Senior Facilities Agreement, where no such notice will be required) to exercise (or refrain from exercising) in the name of a Chargor and without any further consent or authority on the part of that 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; and
 - (ii) if any Investment remains registered in the name of a Chargor, that Chargor irrevocably appoints the Security Agent as its proxy to exercise the voting rights and other rights or powers in respect of that Investment.
- (d) The Security Agent or its nominee shall promptly forward to each Chargor all notices, correspondence and/or other communications it receives in relation to the Investments of that Chargor.

5. CONTROL ACCOUNTS

5.1 General

In this Clause **Account Bank** means a person with whom a Control Account is maintained by a Chargor in England & Wales under the Senior Facilities Agreement.

5.2 Notices of charge

Each Chargor must:

- (a) in respect of:
 - (i) any Control Account which is opened on or before the Account Opening Backstop Date, on or before the Account Opening Backstop Date;
 - (ii) any Control Account which is opened following the Account Opening Backstop Date, on or before the earlier of:
 - (A) 5 Business Days of the opening of such Control Account; and
 - (B) the date on which any amounts are transferred into that Control Account; and
 - (iii) in respect of any Control Account which is opened on or before the resignation of the Security Agent following the Announcement, promptly following such resignation,

serve a notice of charge substantially in the form of Part A of Schedule 2 (*Forms of Letter for Account Bank*) (or in such other form satisfactory to the Security Agent), on each Account Bank; and
- (b) use reasonable endeavours to procure that each Account Bank acknowledges the notice, substantially in the form of Part B of Schedule 2 (*Forms of Letter for Account Bank*) (or in such other form satisfactory to the Security Agent).

6. INSURANCES

Each Chargor must, in respect of any contract of insurance taken out by it or on its behalf or in which it has an interest and in each case which is governed by English law (other than any Insurance Policy relating to third party liability):

- (a) (in respect of any contract of insurance which is in place on the date of this Deed) promptly following the date of this Deed, and in any event, on or before the First Utilisation Date or (in respect of any contract of insurance which is entered into following the date of this Deed) within 5 Business Days of the entry into such contract of insurance, serve a notice of assignment by way of security, substantially in the form of Part A of Schedule 5 (*Form of Letter for Insurer*), on the insurer; and
- (b) use reasonable endeavours to procure that each such insurer acknowledges that notice, substantially in the form of Part B of Schedule 5 (*Form of Letter for Insurer*).

7. HEDGING

Each Chargor must:

- (a) promptly (and in any event within five Business Days) after entering into any Hedge Arrangement serve a notice of assignment by way of security, substantially in the form of Part A of Schedule 4 (*Form of Letter for Hedge Counterparty*), on each counterparty to that Hedge Arrangement; and
- (b) use reasonable endeavours to procure that such counterparty acknowledges that notice, substantially in the form of Part B of Schedule 4 (*Form of Letter for Hedge Counterparty*).

8. RELEVANT CONTRACTS

8.1 Notices of assignment or charge

Each Chargor must, promptly upon the request of the Security Agent (which request may only be made while an Event of Default is continuing), serve a notice of assignment by way of security or charge (as applicable), substantially in the form of Part A of Schedule 3 (*Forms of Letter for Relevant Contracts*), on each counterparty to that Relevant Contract and use reasonable endeavours to procure that each such party acknowledges that notice, substantially in the form of Part B of Schedule 3 (*Forms of Letter for Relevant Contracts*) **provided that** that there shall be no obligation under this Clause 8 to serve any notice of assignment by way of security or charge, or use reasonable endeavours to procure an acknowledgement from any party to a Relevant Contract, where such notice has been served and acknowledgment received pursuant to Clause 17.7 (*Notice of charge, pledge or assignment by way of security*) of this Deed or under the terms of any Finance Document.

9. WHEN SECURITY BECOMES ENFORCEABLE

9.1 Event of Default

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

9.2 Discretion

- (a) Whilst this Security is enforceable, the Security Agent may in its absolute discretion enforce all or any part of this Security in any manner it sees fit or as the Majority Lenders direct.
- (b) This Deed is subject to the terms of the Senior Facilities Agreement.

9.3 Statutory powers

The power of sale and other powers conferred by Section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time whilst this Security is enforceable.

10. ENFORCEMENT OF SECURITY

10.1 General

- (a) For the purposes of all powers implied by statute only, 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.

10.2 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.

10.3 Privileges

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

10.4 Protection of third parties

No person (including a purchaser) dealing with the Security Agent or a Receiver or its or his 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.

10.5 Redemption of prior mortgages

- (a) Whilst this Security is enforceable, the Security Agent may:
 - (i) redeem any prior Security against any Security Asset; and/or
 - (ii) procure the transfer of that Security 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 each Chargor.
- (b) Each Chargor must pay to the Security Agent, promptly 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.

10.6 Contingencies

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

11. RECEIVER OR ADMINISTRATOR

11.1 Appointment of Receiver or Administrator

- (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 or an administrator of any Chargor if:
 - (i) this Security is enforceable; or
 - (ii) a Chargor so requests the Security Agent in writing 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.

11.2 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.

11.3 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.

11.4 Agent of each Chargor

- (a) A Receiver will be deemed to be the agent of each Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly

appointed by a mortgagee under the Act. Each Chargor alone is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver unless such contracts, engagements, acts, omissions, defaults, losses or liabilities arise from the gross negligence, fraud or wilful misconduct of the Receiver.

- (b) No Finance Party will incur any liability (either to any Chargor or to any other person) by reason of the appointment of a Receiver (unless such appointment was made as a result of gross negligence, fraud or wilful misconduct by a Finance Party).

11.5 Exercise of Receiver powers by the 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 whilst after this Security is 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.

12. POWERS OF RECEIVER

12.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause 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 them states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

12.2 Possession

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

12.3 Carry on business

A Receiver may carry on any business of each Chargor in any manner they think fit.

12.4 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 they think fit.
- (b) A Receiver may discharge any person appointed by any Chargor.

12.5 **Borrow money**

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

12.6 **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 they think fit.
- (b) The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which they think fit.
- (c) Fixtures, other than landlord's tenants' and other third parties' fixtures, may be severed and sold separately from the property containing them without the consent of a Chargor.

12.7 **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 any Chargor or relating in any way to any Security Asset.

12.8 **Legal actions**

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which they think fit.

12.9 **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.

12.10 **Subsidiaries**

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

12.11 **Delegation**

A Receiver may delegate their powers in accordance with this Deed.

12.12 **Lending**

A Receiver may lend money or advance credit to any customer of any Chargor.

12.13 **Protection of assets**

A Receiver may:

- (a) effect any repair or insurance and do any other act which a Chargor might do in the ordinary conduct of its 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 they think fit.

12.14 **Other powers**

A Receiver may:

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

13. **APPLICATION OF PROCEEDS**

- (a) Any moneys received by the Security Agent or any Receiver whilst this Security is enforceable must be applied in accordance with clause 28.1 (*Order of application*) of the Senior Facilities Agreement.
- (b) This Clause is subject to the payment of any claims preferred by any bankruptcy, insolvency, liquidation or other similar laws of general application having priority over this Security. This Clause does not prejudice the right of any Finance Party to recover any shortfall from any Chargor.

14. **DELEGATION**

14.1 **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.

14.2 **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 Finance Parties.

14.3 **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 misconduct, omission or default on the part of, any such delegate or sub-delegate.

15. **FURTHER ASSURANCES**

Subject to the terms of the Senior Facilities Agreement, each Chargor must, at its own expense or, if the action is required by a Lender or the Security Agent as a result of the assignment or transfer to any person in connection with any syndication, then at the expense of such Lender, take whatever action the Security Agent or a Receiver requests to that Chargor and may reasonably require for:

- (a) creating, perfecting or protecting any security intended to be created by this Deed; or
- (b) at any time whilst this Security is enforceable, 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 its delegates or sub-delegates in respect of any Security Asset.

This includes:

- (i) at any time whilst this Security is enforceable, the execution of any transfer, conveyance, assignment or assurance of any property, whether to the Security Agent or to its nominee; or
- (ii) the giving of any notice, order or direction and the making of any registration, which, in any such case, the Security Agent may think expedient.

16. **POWER OF ATTORNEY**

Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of its delegates or sub-delegates to be its attorney to take any action which such Chargor is obliged to take under this Deed but has failed to take provided that such power of attorney may only be exercised whilst an Event of Default is continuing and, to the extent permissible by law, shall not terminate by virtue of bankruptcy or similar proceedings affecting the relevant Chargor. Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause.

17. **MISCELLANEOUS**

17.1 **Covenant to pay**

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

17.2 Tacking

Each Lender must perform its obligations under the Senior Facilities Agreement (in each case, including any obligation to make available further advances).

17.3 New Accounts

- (a) If any subsequent charge or other interest affects any Security Asset, the Finance Party may open a new account in the name of a Chargor.
- (b) If the Finance 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 a Finance Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liabilities.

17.4 Security Agent

- (a) The Security Agent executes this Deed as Security Agent in the exercise of the rights, powers and authority conferred and vested in it under the Senior Facilities Agreement and any other Finance Document for and on behalf of the Finance Parties for whom it acts. It will exercise its powers, rights, duties and authority under this Deed in the manner provided for in the Senior Facilities Agreement and, in so acting, the Security Agent shall have the protections, immunities, limitations of liability rights, powers, authorisations, indemnities and benefits conferred on it under and by the Senior Facilities Agreement and the other Finance Documents.
- (b) 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 Finance Parties in accordance with the provisions of the Senior Facilities Agreement and at any time, where it so acts or refrains from acting on the instructions of the Finance Parties, the Security Agent shall not incur any liability to any person for so acting or refraining from acting.

17.5 Time deposits

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

- (a) this Security is enforceable; and
- (b) no Secured Liabilities are due and payable,

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

17.6 **Release of Holdco's rights**

If the Investments are disposed of as a result of enforcement of this Security, each Chargor irrevocably authorises the Security Agent (on behalf of that Chargor and without requiring any authority or consent from any Share Issuer) to release (in whole or in part) the relevant Share Issuer from the liabilities and obligations (present and future, actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) it may have to that Chargor under or in connection with the Finance Documents as a result of that Chargor being a guarantor or security provider (including, without limitation, any liabilities and obligations arising by way of indemnity, contribution or subrogation).

17.7 **Notice of charge, pledge or assignment by way of security**

This Deed constitutes notice in writing (on the terms set out in Schedule 3 (*Forms of Letter for Relevant Contracts*) (to the extent applicable)) to each Chargor of any charge, pledge or assignment of each debt owed by that Chargor to any other member of the Group, and contained in this Deed or any other Transaction Security Document and each such Chargor hereby consents to such assignment and/or charge.

18. **RELEASE**

At the end of the Security Period or as otherwise provided for in accordance with the terms of the Finance Documents, the Finance Parties must promptly, at the request and cost of a Chargor, take whatever action is necessary to release the Security Assets from this Security.

19. **AMENDMENTS**

Changes to and amendments of this Deed, including this Clause 19 (*Amendments*), must be made in writing in accordance with the terms of the Senior Facilities Agreement.

20. **COUNTERPARTS**

This Deed may be executed in any number of counterparts and all of those counterparts taken together will be deemed to constitute one and the same instrument.

21. **GOVERNING LAW**

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

22. **ENFORCEMENT**

22.1 **Jurisdiction of English Courts**

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

- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 22 is for the benefit of the Finance Parties only. As a result, the Finance Parties shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

This Deed has been entered into as a deed and has been delivered as a deed on the date stated at the beginning of this Deed.

SIGNATORIES TO THE SECURITY AGREEMENT

Chargor

SIGNED as a **DEED** by
CAPELLA UK HOLDCO 4 LIMITED
represented by
a duly authorised signatory

)
)
)
)



Name: 
Title: **VICE PRESIDENT - FINANCE**

In the presence of:

Witness's signature
Name:

Address:

SIGNED as a **DEED** by
CAPELLA UK MIDCO 4 LIMITED
represented by
a duly authorised signatory

)
)
)
)



Name: 
Title: **VICE PRESIDENT - FINANCE**

In the presence of:

Witness's signature
Name:

Address:

Security Agent

EXECUTED AS A DEED

ACREFI MORTGAGE LENDING, LLC

By: ACREFI Operating, LLC, its Sole and Managing Member

By: Apollo Commercial Real Estate Finance, Inc., its Sole and Managing Member

By:  _____

Name: 

Title: Authorised Signatory

**SCHEDULE 1
CHARGORS**

Name	Jurisdiction	Company Number
Capella UK Holdco 4 Limited	England and Wales	12591754
Capella UK Midco 4 Limited	England and Wales	12591838

SCHEDULE 2
FORMS OF LETTER FOR ACCOUNT BANK

PART A
NOTICE TO ACCOUNT BANK¹

[On the letterhead of a Chargor]

To: []
Account Bank]

[Date]

Dear Sirs,

Security Agreement dated [●] 2021 between, amongst others, [●] and [●] as security agent (the "Security Agreement")

This letter constitutes notice to you that under the Security Agreement we have charged (by way of a first fixed charge) in favour of [●] (as security agent and trustee for the Finance Parties as referred to in the Security Agreement, the "**Security Agent**") all our rights in respect of any amount standing to the credit of [*insert details of relevant unblocked bank account(s)*] (each an "**Unblocked Account**") and [*insert details of relevant blocked bank account(s)*] (each a "**Blocked Account**") maintained by us with you (the Unblocked Accounts and the Blocked Accounts together being the "**Accounts**").

We irrevocably instruct and authorise you to:

- (a) disclose to [●] as the facility agent (the "**Facility Agent**") and the Security Agent any information relating to any Account requested from you by the Facility Agent or the Security Agent;
- (b) comply with the terms of any written notice or instruction relating to any Account received by you from the Facility Agent or the Security Agent; and
- (c) pay or release any sum standing to the credit of any Account in accordance with the written instructions of the Facility Agent or the Security Agent.

[Without prejudice to the foregoing, we may operate the Unblocked Accounts at any time until the Security Agent has informed you that an Event of Default (as defined in the Security Agreement) is continuing under the Security Agreement.]²

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

¹ Subject to sign off from Account Bank.

² For Unblocked accounts only.

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 Facility Agent and the Security Agent at [●] with a copy to ourselves.

Yours faithfully,

.....

(Authorised Signatory)

[●]

**PART B
ACKNOWLEDGEMENT OF ACCOUNT BANKS**

[On the letterhead of the Account Bank]

To: [●] as Security Agent and Facility Agent

Attention: [●]

Copy: [Chargor]

[Date]

Dear Sirs,

Security Agreement dated [●] 2021 between, amongst others, [●] and [●] as security agent (the "Security Agreement")

We confirm receipt from [●] (the "**Chargor**") of a notice dated [●] 2021 of a charge upon the terms of the Security Agreement over all the rights of the Chargor to any amount standing to the credit of [*insert details of relevant unblocked bank account(s)*] (each an "**Unblocked Account**") and [*insert details of relevant blocked bank account(s)*] (each a "**Blocked Account**") with us (the Unblocked Accounts and the Blocked Accounts together being the "**Accounts**").

We confirm that we:

- (a) accept the instructions contained in the notice and agree to comply with the notice;
- (b) have not received notice of the interest of any third party in any Account;
- (c) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off (except that we may set off all reasonable amounts due to us in respect of our customary fees and expenses for the routine maintenance and operation of the Accounts, including transaction fees), counter-claim or other right in respect of any Account; and
- (d) [will not, after we have received notice from you informing us that an Event of Default (as defined in the Security Agreement) is continuing, permit any amount to be withdrawn from any Unblocked Account without your prior written consent.]³

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

Yours faithfully,

.....
(Authorised signatory)
[Account Bank]

³ For Unblocked Accounts.

**SCHEDULE 3
FORMS OF LETTER FOR RELEVANT CONTRACTS**

**PART A
NOTICE TO COUNTERPARTY TO A RELEVANT CONTRACT**

[On the letterhead of a Chargor]

To: [Contract party]

[Date]

Dear Sirs,

Security Agreement dated [●] 2021 between, amongst others, [●] and [●] as security agent (the "Security Agreement")

This letter constitutes notice to you that under the Security Agreement we have assigned absolutely (subject to a proviso for re-assignment on redemption) to [●] (as security agent and trustee for the Finance 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:

- (a) we will remain liable under the Contract to perform all the obligations assumed by us under the Contract; 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 Contract.

We will also remain entitled to exercise all our rights, powers and discretions under the Contract, and you should continue to give notices under the Contract to us, unless and until you receive notice from the Security Agent to the contrary stating that the security is enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given to, the Security Agent or as it directs.

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 [●] with a copy to ourselves.

Yours faithfully,

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

PART B
ACKNOWLEDGEMENT OF COUNTERPARTY TO A RELEVANT CONTRACT

To: [●] as Security Agent

Copy: [●] as Chargor

[Date]

Dear Sirs,

Security Agreement dated [●] 2021 between, amongst others, [●] and [●] as security agent (the "Security Agreement")

We confirm receipt from [●] (the "**Chargor**") of a notice dated [●] of [an assignment]/[a 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 will pay all sums due, and give notices, under the Contract as directed in that 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)
[Relevant Contract Counterparty]

**SCHEDULE 4
FORM OF LETTER FOR HEDGE COUNTERPARTY**

**PART A
NOTICE TO HEDGE COUNTERPARTY**

[On the letterhead of a Chargor]

To: [Counterparty]

[Date]

Dear Sirs,

Security Agreement dated [●] 2021 between, amongst others, [●] and [●] as security agent (the "Security Agreement")

This letter constitutes notice to you that under the Security Agreement we, [●], have assigned absolutely (subject to a proviso for re-assignment on redemption) to [●] (as security agent and trustee for the Finance Parties as referred to in the Security Agreement (the "**Security Agent**") all our rights in respect of all our rights under any hedging arrangements between yourselves and ourselves (the "**Hedge Documents**").

We irrevocably instruct and authorise you to:

- (a) disclose to the Security Agent or [●] in its capacity as the Facility Agent without any reference to or further authority from us and without any inquiry by you as to the justification for the disclosure, any information relating to the Hedge Documents which the Facility Agent or the Security Agent may request from you; and
- (b) pay any sum payable by you under the Hedge Documents to the bank account we designate from time to time.

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 enclosed acknowledgement to the Security Agent and the Facility Agent with a copy to ourselves.

Yours faithfully,

.....
[●]
(Authorised signatory)

PART B
ACKNOWLEDGEMENT OF HEDGE COUNTERPARTY

To: [●] as Security Agent

[Date]

Dear Sirs,

Security Agreement dated [●] 2021 between, amongst others, [●] and [●] as security agent (the "Security Agreement")

We confirm receipt from [●] (the "**Chargor**") of a notice dated [●] 2021 (the "**Notice**") of an absolute assignment by way of security upon the terms of the Security Agreement of all the Chargors' rights under the Hedge Documents (as defined in the Notice).

We confirm that we:

- (a) have not received notice of the interest of any third party in the Hedge Documents;
- (b) must pay any amount payable by us under the Hedge Documents to the bank account designated by the Chargor from time to time; and
- (c) following notification by the Security Agent that an Event of Default has occurred and is continuing, must accept your instructions in relation to the Chargors' rights under the Hedge Documents.

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 5
FORM OF LETTER FOR INSURER**

**PART A
NOTICE TO INSURER**

[On the letterhead of the relevant Chargor]

To: [Insurer]

[Date]

Dear Sirs,

Security Agreement dated [●] 2021 between [●] and [●] as security agent (the "Security Agreement")

This letter constitutes notice to you that under the Security Agreement we (the **Assignors**) have assigned absolutely (subject to a proviso for re-assignment on redemption) to [●] (as security agent and trustee for the Finance Parties as referred to in the Security Agreement, the "**Security Agent**") all our rights in respect of [*insert details of Insurances*] (including, without limitation, any renewal of any such insurance).

In this letter "Event of Default" has the meaning given to that term in the Senior Facilities Agreement.

We irrevocably instruct and authorise you to:

- (a) following notification by the Security Agent that an Event of Default has occurred and is continuing, hold any insurance proceeds due and payable to the Assignors (for the avoidance of doubt, excluding any payment due to any third party in respect of public liability insurance) to the order of the Security Agent for so long as that Event of Default remains continuing (unless the Security Agent has enforced all or any part of any part of any security created by or pursuant to the Security Agreement prior to such Event of Default ceasing to be continuing); and
- (b) following notification by the Security Agent that an Event of Default has occurred and is continuing, pay or release any insurance proceeds due and payable to the Assignors (for the avoidance of doubt, excluding any payment due to any third party in respect of public liability insurance) in accordance with the written instructions of the Security Agent for so long as that Event of Default remains continuing (unless the Security Agent has enforced all or any part of any security created by or pursuant to the Security Agreement prior to such Event of Default ceasing to be continuing).

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

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 [●] with a copy to ourselves.

Yours faithfully,

.....
[●]
Authorised signatory)

PART B
ACKNOWLEDGEMENT OF INSURER

To: [●] as Security Agent

Copy: [●] as Chargor

[Date]

Dear Sirs,

Security Agreement dated [●] 2021 between [●] and [●] as security agent (the "Security Agreement")

We confirm receipt from [●] (the **Assignors**) of a notice dated [●] of an absolute assignment by way of security upon the terms of the Security Agreement over all the rights of the Assignor to receive any proceeds of any insurance claim.

We confirm that we:

- (a) accept the instructions contained in the notice and agree to comply with the notice;
- (b) have not received notice of the interest of any third party in relation to the rights of the Assignors in respect of [the relevant insurances] (other than any notice that has subsequently been revoked); and
- (c) we confirm that we will pay all sums due (excluding, for the avoidance of doubt, any payments to third parties in respect of public liability insurances), and give notices, under [the relevant insurances] as directed in that 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]