



**Registration of a Charge**

Company name: **LAC HORNSEY LIMITED**

Company number: **02703785**

Received for Electronic Filing: **22/03/2016**



X53AK08R

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**Details of Charge**

Date of creation: **18/03/2016**

Charge code: **0270 3785 0006**

Persons entitled: **CBRE LOAN SERVICES LIMITED**

Brief description: **THE SECURITY DOCUMENT ENCLOSED WITH THIS FORM MR01 INCLUDES A FIXED CHARGE OR FIXED SECURITY OVER PROPERTIES INCLUDING 203A HORNSEY ROAD AND 203B HORNSEY ROAD. FOR MORE DETAILS PLEASE REFER TO THE INSTRUMENT.**

**Contains fixed charge(s).**

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by:

**MARK WARREN, ROPES & GRAY INTERNATIONAL LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 2703785

Charge code: 0270 3785 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 18th March 2016 and created by LAC HORNSEY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 22nd March 2016 .

Given at Companies House, Cardiff on 23rd March 2016

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

**18 March 2016**

for

**LAC HORNSEY LIMITED**  
as Chargor

and

**CBRE LOAN SERVICES LIMITED**  
acting as Security Agent

relating to

**THE PROPERTIES LISTED IN SCHEDULE 1**

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**JUNIOR THIRD PARTY SECURITY  
AGREEMENT**

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**THIS AGREEMENT** is made on 18 March 2016 between the following parties:

- (1) **LAC HORNSEY LIMITED (PREVIOUSLY KNOWN AS THE LONDON ACCOMMODATION CENTRE LIMITED)**, a limited company incorporated in England and Wales with registered number 02703785 of 190 Hornsey Road, London, N7 7LN (the “**Chargor**”); and
- (2) **CBRE LOAN SERVICES LIMITED**, a company incorporated in England and Wales with registered number 5469838 of St. Martins Court, Paternoster Row, London EC3H 7HD (in such capacity, the “**Security Agent**”).

## **BACKGROUND**

- (A) The 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 INTERPRETATIONS**

### **1.1 Definitions**

In this Deed:

“**Act**” means the Law of Property Act 1925.

“**Borrower**” means LAC Holdings Limited, a company incorporated in England and Wales with registered number 10009751 of 190 Hornsey Road, London, N7 7LN.

“**Facility Agreement**” means the £9,000,000 junior facility agreement between, among others, the Borrower, the Chargor (as a third party security provider), Enhanced Debt Lending Limited (as the original lender), CBRE Loan Services Limited (as the facility agent) and the Security Agent.

“**Party**” means a party to this Deed.

“**Properties**” has the meaning given to that term in Clause 2.2(a) (*Land*).

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

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

“**Security Assets**” means all assets of the Chargor the subject of any Security 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.

## **1.2 Construction**

- (a) Capitalised terms defined in the Facility Agreement have, unless expressly defined in this Deed, the same meaning in this Deed.
- (b) The provisions of clause 1.2 (*Construction*) 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)
  - (i) A Finance Document or other agreement or instrument includes (without prejudice to any prohibition on amendments) any amendment to that Finance Document or other agreement or instrument, including any change in the purpose of, 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 this Deed; and
  - (iii) a reference to any asset includes present and future properties, revenues and rights of every description.
- (d) Any covenant of the Chargor under this Deed (other than a payment obligation) remains in force during the Security Period.
- (e) The terms of the other Finance Documents and of any side letters between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported 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, on the basis of legal advice from counsel, 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 sale of that Security Asset.
- (h) The Security Period shall be deemed to have come to an end if the obligations of the Chargor under the Finance Documents are assumed, to the satisfaction of the Security Agent (acting on the instructions of the Majority Lenders, acting reasonably) and with its consent, by any third party.



## **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 the Chargor;
  - (iii) is security for the payment and satisfaction of all the Secured Liabilities;
  - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994; and
  - (v) is granted as second ranking to the Senior Security.
- (b) The Security Agent holds the benefit of this Deed on trust for the Secured Parties.

### **2.2 Land**

- (a) The Chargor charges:
  - (i) by way of a second legal mortgage all estates or interests owned by either of them in any freehold or leasehold property specified in Schedule 1 (*Real Property*); and
  - (ii) (to the extent that they are not the subject of a mortgage under subparagraph (i) above) by way of second fixed charge all estates or interests in any freehold or leasehold property subsequently owned by either of them in connection with the business of the Chargor unless such acquired property is permitted by the Security Agent under the terms of the Facility Agreement to remain owned by the Chargor whilst not being subject to any Security in favour of the Security Agent,

(together the “**Properties**”).
- (b) A reference in this Clause 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 Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

### **2.3 Plant and machinery**

The Chargor charges by way of a second fixed charge all plant and machinery owned by the Chargor in connection with the Properties.

### **2.4 Credit balances**

The Chargor charges by way of second fixed charge all of its rights in respect of any amount standing to the credit of any account it has with any person and the debt represented by it and operated in connection with the Properties.

### **2.5 Book debts etc.**

The Chargor charges by way of a second fixed charge:

- (a) all of its book and other debts arising in connection with the Properties;
- (b) all other moneys due and owing to them arising in connection with the Properties; and
- (c) the benefit of all rights, security interests or guarantees of any nature enjoyed or held by them in relation to any item under paragraph (a) or (b) above,

including, without limitation, any such amounts owing under or in connection with any Lease Document.

### **2.6 Insurances**

The Chargor assigns absolutely by way of security (subject to the terms of the Priority Agreement), subject to a proviso for re-assignment on redemption:

- (a) all of its rights under any contract of insurance taken out by them or on their behalf or in which they have an interest in connection with the Properties; and
- (b) all moneys payable and all monies paid to it under or in respect of all such contracts of insurance.

### **2.7 Other contracts**

The Chargor assigns absolutely by way of security (subject to the terms of the Priority Agreement), 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 appointment of a Managing Agent;
- (e) under any agreement relating to the purchase of a Property by the Chargor; and

- (f) under any other agreement to which it is a party in connection with the Properties except to the extent that it is subject to any fixed security created under any other term of this Clause.

## **2.8 Miscellaneous**

The Chargor charges by way of second fixed charge:

- (a) the benefit of any Authorisation (statutory or otherwise) held in connection with its use of any Security Asset; and
- (b) the right to recover and receive compensation which may be payable to it in respect of any Authorisation referred to in paragraph (a) above.

## **3. REPRESENTATIONS - GENERAL**

### **3.1 Nature of security**

The Chargor represents and warrants to the Security Agent (on behalf of each Secured Party) that, subject to the Legal Reservations and the perfection requirements, this Deed creates the Security it purports to create and is not liable to be avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise.

### **3.2 Times for making representations**

- (a) The representations and warranties set out in this Deed (including in this Clause) are made on the date of this Deed.
- (b) Unless a representation or warranty is expressed to be given at a specific date, each representation or warranty under this Deed is deemed to be repeated by the Chargor on the date of the Utilisation Request, on the Utilisation Date and on the first day of each Interest Period.
- (c) When a representation or warranty is repeated, it is applied to the circumstances existing at the time of repetition.

## **4. RESTRICTIONS ON DEALINGS**

### **4.1 Security**

Except as expressly permitted under the Facility Agreement, the Chargor must not create or permit to subsist any Security on any Security Asset (except for this Security).

### **4.2 Disposals**

Except as permitted under clause 21.4 (*Disposals*) of the Facility Agreement, the Chargor must not sell, transfer, licence, lease or otherwise dispose of any Security Asset.

## **5. LAND**

### **5.1 General**

In this Clause:

**“Mortgaged Property”** means all freehold or leasehold property included in the definition of Security Assets.

### **5.2 Notices to tenants**

The Chargor must:

- (a) promptly serve a notice of assignment, substantially in the form of Part 1 of Schedule 2 (*Forms of Letter for Occupational Tenants*), on each tenant of the Mortgaged Property; and
- (b) use reasonable endeavours to ensure that each such tenant acknowledges that notice, substantially in the form of Part 2 of Schedule 2 (*Forms of Letter for Occupational Tenants*),

provided that this Clause only applies:

- (i) in relation to any existing tenant (as at the date of this Deed); and
- (ii) following a Default.

### **5.3 Acquisitions**

If the Chargor acquires any freehold or leasehold property in connection with the business of the Chargor after the date of this Deed it must:

- (a) notify the Security Agent promptly;
- (b) unless such acquired property is permitted by the Security Agent under the terms of the Facility Agreement to remain owned by the Chargor whilst not being subject to any Security in favour of the Security Agent, promptly on request by the Security Agent and at the cost of the Chargor, execute and deliver to the Security Agent a legal mortgage in favour of the Security Agent of that property in any form which the Security Agent may require (subject to any Senior Security that may be granted);
- (c) if applicable, if the title to that freehold or leasehold property is registered at H.M. Land Registry or required to be so registered, give H.M. Land Registry written notice of this Security; and
- (d) if applicable, ensure that this Security is correctly noted in the Register of Title against that title at H.M. Land Registry.

#### **5.4 Compliance with applicable laws and regulations**

The Chargor must perform all its obligations under any law or regulation in any way related to or affecting the Mortgaged Property.

#### **5.5 H.M. Land Registry**

The Chargor consents to a restriction in the following terms being entered into on the Register of Title relating to any Mortgaged Property registered at H.M. Land Registry:

“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 CBRE Loan Services Limited referred to in the charges register or their conveyancer. (Standard Form P)”

#### **5.6 Deposit of title deeds**

The Chargor, promptly upon the occurrence of the Senior Discharge Date, must deposit with the Security Agent all deeds and documents of title relating to its Mortgaged Property and all local land charges, land charges and H.M. Land Registry search certificates and similar documents received by or on behalf of the Chargor or provide a solicitor's undertaking or solicitors' undertakings, in each case in form and substance satisfactory to the Security Agent (acting reasonably), to hold the same to the order of the Security Agent.

### **6. ACCOUNTS**

#### **6.1 Book debts and receipts**

(a) Subject to clause 17.2(a) (*Rent Account*) of the Facility Agreement, the Chargor must get in and realise its:

(i) rent and other amounts due from tenants 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 the Rent Account (or such other Account determined by the Security Agent in accordance with the Facility Agreement) if required in accordance with paragraph (b) below) on trust for the Security Agent.

(b) The Chargor must, except to the extent that the Security Agent otherwise agrees, pay all the proceeds of the getting in and realisation into the Rent Account in accordance with the Facility Agreement (or such other Account determined by the Security Agent in accordance with the Facility Agreement).

## **7. RELEVANT CONTRACTS**

### **7.1 General**

In this Clause:

“**Relevant Contract**” means:

- (a) each appointment of a Managing Agent of any of the Properties; and
- (b) any other agreement to which the Chargor is a party in connection with the Properties and which the Security Agent has designated in writing as a Relevant Contract.

### **7.2 Representations**

The Chargor represents to each Secured Party that:

- (a) all payments to it by any other party to a Relevant Contract to which it is a party are not subject to any right of set-off or similar rights;
- (b) subject to the Legal Reservations each such Relevant Contract is its legal, valid, binding and enforceable obligation;
- (c) it is not in default of any of its obligations under any such Relevant Contract which has or is reasonably likely to have a Material Adverse Effect;
- (d) there is no prohibition on assignment in any such Relevant Contract, provided that in relation to any Relevant Contract designated as such pursuant to Clause 7.1(b) this representation is only given on the date of this Agreement; and
- (e) its entry into and performance of this Deed will not conflict with any term of any such Relevant Contract which has or is reasonably likely to have a Material Adverse Effect.

### **7.3 Notices of assignment**

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

- (a) promptly serve a notice of assignment, substantially in the form of Part 1 of Schedule 3 (*Forms of Letter for Relevant Contracts*), on each counterparty to a Relevant Contract; and
- (b) use reasonable endeavours to ensure that each such party acknowledges that notice, substantially in the form of Part 2 of Schedule 3 (*Forms of Letter for Relevant Contracts*).

## **8. WHEN SECURITY BECOMES ENFORCEABLE**

### **8.1 Event of Default**

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

## **8.2 Discretion**

After this Security has become 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.

## **8.3 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.

# **9. ENFORCEMENT OF SECURITY**

## **9.1 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 100 of the Act.

## **9.2 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.

## **9.3 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.

## **9.4 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.

## **9.5 Redemption of prior mortgages**

- (a) At any time after this Security has become 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 the Chargor.
- (b) The Chargor 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.

## **9.6 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.

# **10. RECEIVER**

## **10.1 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 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.

## **10.2 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.

## **10.3 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.

## **10.4 Agent of the Chargor**

- (a) A Receiver will be deemed to be the agent of the 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. The Chargor alone is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.
- (b) No Secured Party will incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

## **10.5 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.

# **11. POWERS OF RECEIVER**

## **11.1 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 him states otherwise) exercise

all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

## **11.2 Possession**

A Receiver may take immediate possession of, get in and collect any Security Asset of which it has been appointed.

## **11.3 Carry on business**

A Receiver may carry on any business of the Chargor in any manner he thinks fit.

## **11.4 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 thinks fit.
- (b) A Receiver may discharge any person appointed by the Chargor.

## **11.5 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 thinks fit.

## **11.6 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 thinks 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 he 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 Chargor.

## **11.7 Leases**

A Receiver may let any Security Asset for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease or tenancy of any Security Asset on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

## **11.8 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 Chargor or relating in any way to any Security Asset.

### **11.9 Legal actions**

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

### **11.10 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.

### **11.11 Subsidiaries**

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

### **11.12 Delegation**

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

### **11.13 Lending**

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

### **11.14 Protection of assets**

A Receiver may:

- (a) effect any repair or insurance and do any other act which the 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 he thinks fit.

### **11.15 Other powers**

A Receiver may:

- (a) do all other acts and things which he 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 he would be capable of exercising if he were the absolute beneficial owner of that Security Asset; and
- (c) use the name of the Chargor for any of the above purposes.

## **12. 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 Deed will be held and applied in the following order of priority:

- (a) in or towards payments or provision for all costs and expenses incurred by the Security Agent or Receiver under or in connection with this Deed and all remuneration due to any Receiver under or in connection with this Deed;
- (b) in or towards payment of the Secured Liabilities in such order as the Secured Parties may in their absolute discretion decide; and
- (c) in payment of the surplus (if any) to the Chargor or other person entitled to it.

This clause is subject to the payment of any claims having priority over this Security.

## **13. EXPENSES AND INDEMNITY**

The Chargor must:

- (a) within 3 Business Days of demand pay all costs and expenses (including legal fees) incurred in connection with this Deed by any Secured Party including any arising from any actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise; and
- (b) keep each of them indemnified against any failure or delay in paying those costs or expenses.

## **14. DELEGATION**

### **14.1 Power of Attorney**

The Security Agent or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.

### **14.2 Terms**

Any such delegation may be made upon any terms (including power to sub-delegate) which the Security Agent or any Receiver may think fit.

### **14.3 Liability**

Neither the Security Agent nor any Receiver will be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate unless such loss was caused by the gross negligence or wilful default of the Security Agent or Receiver.

## **15. FURTHER ASSURANCES**

The Chargor must, at its own expense, take whatever action the Security Agent or a Receiver may require for:

- (a) creating, perfecting or protecting any security intended to be created by this Deed; or
- (b) if an Event of Default has occurred and is continuing, 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) 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**

The 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 the Chargor is obliged to take under this Deed,

- (a) where an Event of Default occurs which is continuing, at any time;
- (b) where the attorney considers it to be necessary for the protection or preservation of this Security, following 5 Business Days after a request to the Chargor from the Security Agent, a Receiver or any of its delegates or sub-delegates where the Chargor has failed to perform the same; and
- (c) where circumstances other than (a) or (b) apply, following 10 Business Days after a request to the Chargor from the Security Agent, a Receiver or any of its delegates or sub-delegates where the Chargor has failed to perform the same.

The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause.

## **17. PRESERVATION OF SECURITY**

### **17.1 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.

## **17.2 Reinstatement**

If any discharge, release or arrangement (whether in respect of the obligations of the Chargor or any security for those obligations or otherwise) is made in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, the liability of the Chargor under this Deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

## **17.3 Waiver of defences**

The obligations of the Chargor under this Deed will not be affected by any act, omission, matter or thing which, but for this Clause would reduce, release or prejudice any of its obligations under this Deed including:

- (a) any time, waiver or consent granted to, or composition with, the Chargor or other person;
- (b) the release of the Chargor or any other person under the terms of any composition or arrangement with any creditor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Chargor or any other person;
- (d) any non-presentation or non-observance of any formality or other requirement in respect of any instruments or any failure to realise the full value of any security;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or any other person;
- (f) any amendment of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (g) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Finance Document or any other document or security; or
- (h) any insolvency or similar proceedings.

## **17.4 Chargor Intent**

Without prejudice to the generality of Clause 17.3 (*Waiver of defences*), the Chargor expressly confirms that it intends that this Security shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other

indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

### **17.5 Immediate recourse**

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

### **17.6 Appropriations**

Each Secured Party (or any trustee or agent on its behalf) may at any time during the Security Period:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) against the Secured Liabilities or apply and enforce them in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Chargor will not be entitled to the benefit of such moneys, security or rights; and
- (b) hold in an interest bearing suspense account any moneys received from the Chargor or on account of the Chargor's liability under this Deed.

### **17.7 Deferral of Chargor's rights**

Unless the Security Period has expired or the Security Agent otherwise directs, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Deed or by reason of any amount being payable, or liability arising under this Clause:

- (a) to be indemnified by the Borrower;
- (b) to claim any contribution from any other guarantor of the Borrower's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
- (d) to bring legal or other proceedings for an order requiring the Borrower to make any payment, or perform any obligation, in respect of which the Chargor has given a guarantee, undertaking or indemnity under this Clause;
- (e) to exercise any right of set-off against the Borrower; and/or

- (f) to claim or prove as a creditor of the Borrower in competition with any Secured Party.

If the Chargor receives any benefit, payment or distribution in relation to such rights, subject to the terms of the Senior Finance Documents, it must hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Borrower under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and must promptly pay or transfer them to the Security Agent or as the Security Agent may direct for application in accordance with Clause 12 (*Application of proceeds*).

## **17.8 Additional security**

This Security is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Secured Party.

## **18. MISCELLANEOUS**

### **18.1 Covenant to discharge**

The Chargor must discharge the Secured Liabilities in the manner provided for in the Finance Documents when they fall due for discharge.

### **18.2 Tacking**

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

### **18.3 New Accounts**

- (a) If any subsequent charge or other interest affects any Security Asset, a Secured Party may open a new account with the Chargor.
- (b) If the 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 the 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.

### **18.4 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 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.

**18.5 Notice of assignment**

This Deed constitutes notice in writing to the Chargor of any charge or assignment of a debt owed by the Chargor and contained in any other Security Document.

**19. RELEASE**

At the end of the Security Period, or in order to effect any other release of security permitted under the Finance Documents, the Secured Parties must, at the request and cost of the Chargor, promptly take whatever action is necessary to release its Security Assets from this Security.

**20. COUNTERPARTS**

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

**21. 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 entered into as a deed on the date stated at the beginning of this Deed.

**SCHEDULE 1  
REAL PROPERTY**

<b>Unit Address</b>	<b>Tenure</b>	<b>Title Number</b>
203a Hornsey Road	Leasehold	AGL279651
203b Hornsey Road	Leasehold	AGL279652
203c Hornsey Road	Leasehold	AGL279653
203d Hornsey Road	Leasehold	AGL279656

**SCHEDULE 2**  
**FORMS OF LETTER FOR OCCUPATIONAL TENANTS**

**Part 1: NOTICE TO OCCUPATIONAL TENANT**

**[ON THE LETTERHEAD OF THE CHARGOR]**

To: The Tenant

\_\_\_\_\_ 20\_\_\_\_

Dear Sirs,

We refer to your lease (the “**Lease**”).

We have been instructed by your landlord to inform you that the property is acting as security under a loan financing. This security includes the landlord’s rights over your Lease. We give you notice that the landlord has assigned (by way of second fixed security) to CBRE Loan Services Limited (“**CBRE**”) all right, title and interest in and to the Lease and the moneys from time to time due under the Lease.<sup>1</sup> This security arrangement will have no impact on the day-to-day management of your Lease and you should continue to liaise with us on the same basis unless you receive notice from CBRE to the contrary.

CBRE (and any delegate appointed by CBRE) shall not at any time be under any obligation or liability to you in relation to the Lease.

The notice in this letter may not be revoked or amended without the prior written consent of CBRE.

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 and your acceptance of the contents of this letter by signing the attached acknowledgement and returning it to CBRE.

Yours faithfully,

\_\_\_\_\_  
For and on behalf of

**LAC Property Management Limited**

\_\_\_\_\_  
Countersigned for and on behalf of

**CBRE Loan Services Limited**

<sup>1</sup> The notice of assignment is expected to be served in a form merged with the notice of assignment in relation to the Senior Security.

## Part 2: ACKNOWLEDGEMENT OF OCCUPATIONAL TENANT

To: CBRE Loan Services Limited  
Henrietta House, Henrietta Place, London, W1G 0NB  
Attention: Gerard Nation and Steven Harle

cc: LAC Property Management Limited  
190 Hornsey Road, London, N7 7LN

\_\_\_\_\_ 20\_\_\_\_

Dear Sirs,

**Re: [Property]**

We acknowledge receipt of a notice dated \_\_\_\_\_ 20\_\_\_\_ (the “**Notice**”) and addressed to us by LAC Property Management Limited in relation to our lease of the above property (the “**Lease**”). We accept the instructions and authorisations contained in the Notice.

We acknowledge and confirm that:

- a) we have not, as at the date of this acknowledgement, received any notice 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 landlord under or in respect of the Lease;<sup>2</sup>
- b) we shall continue to pay rent and all other monies payable by us under the Lease into the bank account currently instructed unless we receive notice from you 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,

\_\_\_\_\_  
Name:

<sup>2</sup> The notice of assignment is expected to be served in a form merged with the notice of assignment in relation to the Senior Security. Both notices will also involve the same entity acting as “Security Agent”. In which case, only one acknowledgement is to be signed by the tenant, which refers to the merged notice of assignment. Therefore, no distinction is made in this acknowledgement between the Senior Security and this Security.

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

**Part 1: NOTICE TO COUNTERPARTY**

**[ON THE LETTERHEAD OF THE CHARGOR]**

From: CBRE Loan Services Limited (the “**Security Agent**”)  
LAC Hornsey Limited (the “**Assignor**”)

To: [Counterparty to the Relevant Contract]  
[Address]

[Date]

Dear Sirs,

**LAC Hornsey Limited – Junior Security Agreement**  
**dated [Date] (the “Security Agreement”)<sup>3</sup>**

1. We refer to the Security Agreement.
2. We give notice that by an assignment contained in the Security Agreement the Assignor assigned to the Security Agent (by way of second fixed security) all its right, title and interest from time to time in and to the agreements detailed in the attached schedule (the “**Agreements**”), including all rights or claims in relation to the Agreements.
3. Until you receive written instructions from the Security Agent to the contrary, all moneys payable by you to the Assignor in respect of the Agreements shall be paid to the account notified to you by the Assignor.
4. Despite the assignment referred to above or the making of any payment by you to the Security Agent under or in connection with it:
  - (a) the Assignor shall remain liable to perform all of its obligations under each Agreement; and
  - (b) the Security Agent (and any delegate appointed by the Security Agent) shall not at any time be under any obligation or liability to you under or in relation to any Agreement.
5. The Assignor shall remain entitled to exercise its rights, powers and discretions under each Agreement, except that the Assignor shall not, and you agree that the Assignor shall not, without the prior written consent of the Security Agent:
  - (a) amend, supplement, vary or waive (or agree to amend, supplement, vary or waive) any provision of any Agreement;

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<sup>3</sup> The notice of assignment is expected to be served in a form merged with the notice of assignment in relation to the Senior Security.

- (b) exercise any right to rescind, cancel or terminate any Agreement;
  - (c) release any counterparty from any obligations under any Agreement;
  - (d) waive any breach by any counterparty or consent to any act or omission which would otherwise constitute such a breach; or
  - (e) except as provided in the Security Agreement, novate, transfer or assign any of its rights under any Agreement.
6. You are authorized and instructed, without requiring further approval, to:
- (a) provide the Security Agent with such information relating to the Agreements as it may from time to time request; and
  - (b) send to the Security Agent and the Assignor copies of all notices issued by you.
7. This authority and instruction may not be revoked or amended without the prior written consent of the Security Agent.
8. This notice of assignment and any non-contractual obligations arising out of or in connection with it are governed by English law. The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this notice of assignment (including a dispute relating to the existence, validity or termination of this notice of assignment or any non-contractual obligation arising out of or in connection with this notice of assignment).
9. Please acknowledge receipt of this notice of assignment and confirm that:
- (a) you will pay all moneys in respect of each Agreement as directed by or pursuant to this notice of assignment;
  - (b) you have not received any other notice of any assignment of any Agreement;
  - (c) you will not claim or exercise any set-off or counterclaim in respect of any Agreement; and
  - (d) you will comply with the other provisions of this notice of assignment,
- by signing the acknowledgement attached to this notice of assignment and returning that acknowledgement to the Security Agent at Henrietta House, Henrietta Place, London, W1G 0NB, marked for the attention of Gerard Nation and Steven Harle.

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**Security Agent**

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**Assignor**

## **SCHEDULE**

### **Agreements assigned**

*[Insert relevant details]*

## **Part 2: ACKNOWLEDGEMENT OF COUNTERPARTY**

To: CBRE Loan Services Limited  
Henrietta House, Henrietta Place, London, W1G 0NB  
Attention: Gerard Nation and Steven Harle

cc: LAC Hornsey Limited  
190 Hornsey Road, London, N7 7LN

\_\_\_\_\_ 20 \_\_\_\_\_

Dear Sirs,

### **LAC Hornsey Limited – Junior Security Agreement dated [Date] (the “Security Agreement”)**

We acknowledge receipt of the notice of assignment dated [Date] in relation to the Security Agreement and addressed to us by you and LAC Hornsey Limited (the “**Notice of Assignment**”).

We confirm that:

- a) we will pay all moneys in respect of each Agreement as directed by or pursuant to the Notice of Assignment;
- b) we have not received any other notice of any assignment of any Agreement;<sup>4</sup>
- c) we will not claim or exercise any set-off or counterclaim in respect of any Agreement;  
and
- d) we will comply with the other provisions of the Notice of Assignment.

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

\_\_\_\_\_  
**[Counterparty to the Relevant Contract]**

<sup>4</sup> The notice of assignment is expected to be served in a form merged with the notice of assignment in relation to the Senior Security. Both notices will also involve the same entity acting as “Security Agent”. In which case, only one acknowledgement is to be signed by the counterparty, which refers to the merged notice of assignment. Therefore, no distinction is made in this acknowledgement between the Senior Security and this Security.



## SIGNATURES

**EXECUTED AS A DEED** by  
for and  
on behalf of **LAC HORNSEY**  
**LIMITED** in the presence of:

)  
)  
)  
)



Witness signature: *Joanne O'Dea*

Witness name: **JOANNE O'DEA**

Witness address:

Teacher Stern LLP – Solicitors  
37-41 Bedford Row  
London WC1R 4JH

**EXECUTED AS A DEED** by \_\_\_\_\_ and \_\_\_\_\_ as attorneys  
for **CBRE LOAN SERVICES LIMITED** under a Power of Attorney dated 6 January 2016

\_\_\_\_\_  
in the presence of:

Witness signature: \_\_\_\_\_

Witness name: \_\_\_\_\_

Occupation: \_\_\_\_\_

Witness address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SIGNATURES**

**EXECUTED AS A DEED** by )  
for and )  
on behalf of **LAC HORNSEY** )  
**LIMITED** in the presence of: )

Witness signature:

Witness name:

Witness address:

**EXECUTED AS A DEED** by **GERARD NATION** **SENIOR DIRECTOR** and **Steven Ambridge** as attorneys  
for **CBRE LOAN SERVICES LIMITED** under a Power of Attorney dated 6 January 2016

in the presence of:

Witness signature:

Witness name:

Occupation:

Witness address:

**Piotr Tokarski**  
**Director**

**CBRE Loan Services**  
**Henrietta House**  
**Henrietta Place**  
**London**  
**W1G 0NE**