



Registration of a Charge

Company name: **LONDON SQUARE (FULHAM) LIMITED**

Company number: **07788521**



X7GE1UM0

Received for Electronic Filing: **12/10/2018**

Details of Charge

Date of creation: **11/10/2018**

Charge code: **0778 8521 0002**

Persons entitled: **NATIONAL WESTMINSTER BANK PLC (AS SECURITY AGENT)**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **MALIHA ABU-NOWAR**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7788521

Charge code: 0778 8521 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 11th October 2018 and created by LONDON SQUARE (FULHAM) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 12th October 2018 .

Given at Companies House, Cardiff on 16th October 2018

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

EXECUTION VERSION

DATED 11 October 2018

(1) THE CHARGORS

**(2) NATIONAL WESTMINSTER BANK PLC
(as Security Agent)**

SUBORDINATED CREDITOR'S SECURITY AGREEMENT

This Deed is subject to the terms of the Intercreditor Agreement



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THIS DEED is made on 11 October 2018 and is made

BETWEEN:-

- (1) **THE CHARGORS** listed in Schedule 1 (*Chargors*) (each a "**Chargor**" and together the "**Chargors**"); and
- (2) **NATIONAL WESTMINSTER BANK PLC** as security trustee for the Secured Parties (as defined below) pursuant to the Intercreditor Agreement (as defined below) (the "**Security Agent**").

INTRODUCTION

- (A) The Chargors enter into this Deed in connection with the Initial Revolving Facility Agreement and the Note Purchase Agreement and any Ancillary Document (each as is 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:-

"Ancillary Document"	has the meaning given to it in the Intercreditor Agreement
"Debt Document"	has the meaning given to that term in the Intercreditor Agreement
"Debtor"	has the meaning given to that term in the Intercreditor Agreement
"Group"	has the meaning given to it in the Intercreditor Agreement
"Initial Revolving Facility Agreement"	has the meaning given to it in the Intercreditor Agreement
"Intercreditor Agreement"	means the intercreditor agreement dated on or about the date of this Deed between, amongst others, National Westminster Bank plc, HSBC Bank plc and AIB Group (UK) p.l.c. as original lenders and joint arrangers, NatWest Markets plc and HSBC Bank plc original hedge counterparty, The Royal Bank of Scotland plc, National Westminster Bank plc and HSBC Bank plc as ancillary lender, each Noteholder and the Obligors
"Liabilities"	has the meaning given to that term in the Intercreditor Agreement
"Original Borrower"	has the meaning given to it in the Intercreditor Agreement

"Noteholder"		has the meaning given to that term in the Intercreditor Agreement
"Note Agreement"	Purchase	has the meaning given to that term in the Intercreditor Agreement
"Party"		means a party to this Deed
"Receiver"		means any receiver, receiver and manager or, to the extent permitted by law, an administrative receiver (whether appointed pursuant to this Deed or any statute, by a court or otherwise) of the whole or any part of the Secured Assets
"Regulations"		means the Financial Collateral Arrangements (No2) Regulations 2003 (S.I. 2003/3226) or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements
"Related Rights"		means:- <ul style="list-style-type: none"> (a) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of the Secured Assets; and (b) any moneys and proceeds or income paid or payable in respect of the Secured Assets
"Relevant Jurisdiction"		means:- <ul style="list-style-type: none"> (a) a Chargor's jurisdiction of incorporation (b) any jurisdiction where any asset subject to or intended to be subject to the Security created by a Chargor pursuant to this Deed is situated and (c) the jurisdiction whose laws govern the perfection of this Deed
"Secured Assets"		means any asset of a Chargor which is, or is expressed to be, subject to any Security created by this Deed
"Secured Liability"		means all the Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by any member of the Group and by each Debtor to any Secured Party under any of the Debt Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity
"Secured Party"		has the meaning given to the term "Secured Parties" in the Intercreditor Agreement
"Security"		means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar

effect

"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

"Subordinated Debt" means:-

- (a) the Subordinated Liabilities and
- (b) the Intra-Group Liabilities

(each as defined in the Intercreditor Agreement)

"Subordinated Documents " means:-

- (a) the loan agreement dated the date of this deed and made between (1) London Square Developments Limited (as Borrower) and (2) London Square (Fulham) Limited (as Lender)
- (b) the loan agreement dated the date of this deed and made between (1) London Square Developments Limited (as Borrower) and (2) London Square Limited (as Lender) and
- (c) any other agreement evidencing or recording the terms of the Subordinated Debt

1.2 **Incorporation of terms**

Unless the context otherwise requires or unless defined in this Deed, all words and expressions defined or whose interpretation is provided for in the Intercreditor Agreement shall have the same meanings in this Deed.

1.3 **Interpretation**

1.3.1 The provisions of clause 1.2 (*Construction*) of the Intercreditor Agreement apply to this Deed as though they were set out in full in this Deed except that references to the Intercreditor Agreement will be construed as references to this Deed.

1.3.2 Unless a contrary indication appears, a reference in this Deed to:-

- (a) **"Debt Document"** or any other agreement, document or instrument is a reference to that Debt Document or other agreement, document or instrument as amended, novated, supplemented, extended or restated;
- (b) any **"rights"** in respect of an asset includes:-
 - (i) all amounts and proceeds paid or payable;
 - (ii) all rights to make any demand or claim; and
 - (iii) all powers, remedies, causes of action, security, guarantees and indemnities,

in each case in respect of or derived from that asset;

- (a) the term "**this Security**" means any Security created by this Deed; and
 - (b) the liabilities of the Chargors under this Deed are joint and several.
- 1.3.3 Any covenant of a Chargor under this Deed (other than a payment obligation which has been discharged) remains in force during the Security Period.
- 1.3.4 The terms of the other Debt Documents and of any other agreement or instrument between any Parties in relation to any Debt Document are incorporated in this Deed to the extent required to ensure that any purported disposition, or any agreement for the disposition, of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 1.3.5 If the Security Agent considers that an amount paid to a Secured Party under a Debt 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.
- 1.3.6 Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.
- 1.3.7 This Deed is subject to the provisions of the Intercreditor Agreement.
- 1.4 **Third party rights**
 - 1.4.1 Unless expressly provided to the contrary in a Debt Document, a person who is not a Party has no right under the Contract (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.
 - 1.4.2 Notwithstanding any term of any Debt Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
 - 1.4.3 Any Receiver may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to Clause 1.4.2 above and the provisions of the Third Parties Act.
- 2. **COVENANT TO PAY**
 - 2.1 **Secured Liabilities**

Each Chargor covenants that it will on demand pay and discharge the Secured Liabilities when due.
 - 2.2 **Limited recourse**

Notwithstanding the terms of this Deed, the Security Agent shall not have recourse under this Deed to any of the Chargors' assets other than the Secured Assets and the liability of each Chargor to the Secured Parties under Clauses 2.1 shall be satisfied only from the proceeds of the sale or other disposal or realisation of the Secured Assets.
- 3. **SECURITY**

3.1 **Assignment**

Each Chargor assigns absolutely, subject to a proviso for reassignment on the irrevocable discharge in full of the Secured Liabilities, all its right, title and interest from time to time in:-

- 3.1.1 the Subordinated Debt;
- 3.1.2 the Subordinated Documents; and
- 3.1.3 all Related Rights under or in connection with the Subordinated Debt and the Subordinated Documents.

3.2 **Charge**

To the extent not effectively assigned under Clause 3.1 (*Assignment*), each Chargor charges by way of first fixed charge:-

- 3.2.1 the Subordinated Debt;
- 3.2.2 the Subordinated Documents; and
- 3.2.3 all Related Rights under or in connection with the Subordinated Debt and the Subordinated Documents.

3.3 **Trust**

If or to the extent that for any reason the assignment or charging of any Secured Asset is prohibited, each Chargor shall:-

- 3.3.1 hold it on trust for the Security Agent as security for the payment and discharge of the Secured Liabilities; and
- 3.3.2 take such steps as the Security Agent may require to remove the impediment to assignment or charging.

3.4 **Nature of Security created**

The Security created under this Deed is created:-

- 3.4.1 as a continuing security to secure the payment and discharge of the Secured Liabilities and shall not be released or discharged by any intermediate payment or settlement of all or any of the Secured Liabilities;
- 3.4.2 in favour of the Security Agent as trustee for the Secured Parties; and
- 3.4.3 with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

4. **PERFECTION OF SECURITY**

4.1 Each Chargor must deliver notices of assignment in relation to the Secured Assets on the date of this Deed in the form set out in Schedule 1 (*Form of notice of assignment*).

4.2 Each Chargor must:-

- 4.2.1 use all reasonable endeavours to procure that, within 14 days of the date of this Deed, each notice of assignment is acknowledged by the Original Borrower; and

- 4.2.2 deliver to the Security Agent a copy of each acknowledgment of a notice of assignment within 5 Business Days of receipt from the Original Borrower.

5. **REPRESENTATIONS**

Each Chargor makes the representations and warranties set out in this Clause 5 to the Security Agent on the date of this Deed and on each other day during the Security Period with reference to the facts and circumstances then existing on the date of repetition.

5.1 **Status**

5.1.1 It is a limited liability corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.

5.1.2 It has the power to own its own assets and carry on its business as it is being conducted.

5.2 **Binding obligations**

The obligations expressed to be assumed by it in this Deed are legal, valid, binding and enforceable obligations.

5.3 **Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, this Deed and the granting of Security pursuant to this Deed do not and will not conflict with:-

5.3.1 any law or regulation applicable to it;

5.3.2 its constitutional documents; or

5.3.3 any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

5.4 **Power and authority**

5.4.1 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed and the transactions contemplated by this Deed.

5.4.2 No limit on its powers will be exceeded as a result of the grant of Security or giving of any guarantee or indemnity contemplated by this Deed.

5.5 **Validity and admissibility in evidence**

All Authorisations required or desirable:-

5.5.1 to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed; and

5.5.2 to make this Deed admissible in evidence in the Relevant Jurisdictions,

have been obtained or effected and are in full force and effect.

5.6 **Governing law and enforcement**

5.6.1 The choice of English law to govern this Deed will be recognised and enforced in the Relevant Jurisdictions.

5.6.2 Any judgment obtained in relation to this Deed in England will be recognised and enforced in the Relevant Jurisdictions.

5.7 No filing or stamp taxes

Under the laws of each Relevant Jurisdiction it is not necessary that this Deed be registered, filed, recorded, notarised or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to this Deed or the transactions contemplated by it except registration of particulars of this Deed at Companies House under the Companies Act 2006 and payment of associated fees which registration and fees will be made and paid promptly after the date of this Deed.

5.8 Solvency

It is not unable nor has it admitted inability to pay its debts as they fall due.

5.9 Title to Secured Assets

It is the legal and beneficial owner of the Secured Assets.

5.10 Centre of main interests and establishments

For the purposes of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the "**Regulation**"), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in England and Wales and it has no "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

5.11 Ranking of Security

The Security conferred by this Deed constitutes a first priority security interest of the type described in this Deed over the Security Assets.

6. GENERAL UNDERTAKINGS

The undertakings in this Clause remain in force at all times during the Security Period.

6.1 Further assurance

Each Chargor undertakes that it shall, from time to time and at its own expense, promptly do whatever the Security Agent requires to:-

- 6.1.1 give effect to the requirements of this Deed;
- 6.1.2 perfect, preserve or protect the Security created or expressed to be created by this Deed, or its priority; or
- 6.1.3 once the Security created by this Deed has become enforceable, facilitate the realisation of the Secured Assets or the exercise of any rights vested in the Security Agent or any Receiver by this Deed or by law,

including executing any charge, assignment or assurance of or in respect of the Secured Assets (whether to the Security Agent or its nominees or otherwise), making any registration and giving any notice, order or direction. The obligations of the Chargors under this Clause 6.1 are in addition to the covenants for further assurance

deemed to be included by virtue of the Law of Property (Miscellaneous Provisions) Act 1994.

6.2 Negative pledge

Each Chargor undertakes that it shall not create or permit to subsist any Security over any Secured Assets.

6.3 Disposals

Each Chargor undertakes that it shall not enter into or agree to enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, transfer or otherwise dispose of any Secured Assets.

6.4 Payments without deduction

Each Chargor undertakes that all payments to be made by it under this Deed shall be calculated and made without (and free and clear of any deduction for) set-off or counterclaim.

7. UNDERTAKINGS RELATING TO SECURED ASSETS

7.1 Each Chargor undertakes that it shall:-

7.1.1 perform all its obligations in respect of the Secured Assets in a diligent and timely manner; and

7.1.2 notify the Security Agent of any breach of or default under a Subordinated Document by the Original Borrower and any right that arises entitling the Original Borrower to terminate or rescind a Subordinated Document, promptly upon becoming aware of the same.

7.2 The Chargor undertakes that it shall not, without the prior written consent of the Security Agent:-

7.2.1 amend, supplement, supersede or waive any provision (or agree to do to any of the foregoing) of any Subordinated Document;

7.2.2 exercise any right to rescind, cancel, terminate or release the Original Borrower from any obligations (or agree to do to any of the foregoing) in respect of any Secured Assets; or

7.2.3 assign, transfer, charge or otherwise deal with or dispose of any Secured Assets or any of a Chargor's rights, title, interest and benefits in, to and in respect of any Secured Assets,

except as permitted by the terms of the Debt Documents.

7.3 Save as expressly restricted pursuant to the terms of the Debt Documents, while no Event of Default is continuing, each Chargor may exercise all its rights in respect of the Secured Assets including receiving and exercising all rights relating to proceeds of the Secured Assets.

8. WHEN SECURITY BECOMES ENFORCEABLE

8.1 Event of Default

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

8.2 **Discretion**

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

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**

9.1.1 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.

9.1.2 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.

9.1.3 The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with any provision of section 99 or section 100 of the Act.

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**

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

9.4 **Protection of third parties**

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

9.4.1 whether the Secured Liabilities have become payable;

9.4.2 whether any power which the Security Agent or a Receiver is purporting to exercise has become exercisable or is being properly exercised;

9.4.3 whether any money remains due under any of the Debt Documents; or

9.4.4 how any money paid to the Security Agent or to that Receiver is to be applied.

9.5 **Redemption of prior mortgages**

9.5.1 At any time after this Security has become enforceable, the Security Agent may:-

- (a) redeem any prior Security against any Security Asset; and/or
- (b) procure the transfer of that Security to itself; and/or
- (c) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargors.

9.5.2 Each 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 any of the Debt Documents but at a time when amounts may or will become due, the Security Agent (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it.

9.7 **Financial collateral**

9.7.1 To the extent that the Security Assets constitute "*financial collateral*" and this Deed and the obligations of each 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 after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.

9.7.2 Where any financial collateral is appropriated:-

- (a) if it is listed or traded on a recognised exchange, its value will be taken as being the value at which it could have been sold on the exchange on the date of appropriation; or
- (b) in any other case, its value will be such amount as the Security Agent reasonably determines having taken into account advice obtained by it from an independent commercial property adviser, investment bank or accountancy firm of national standing selected by it,

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

10. **RECEIVER**

10.1 **Appointment of Receiver**

10.1.1 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:-

- (a) this Security has become enforceable; or
- (b) any Chargor so requests to the Security Agent at any time.

10.1.2 Any appointment under Clause 10.1.1 may be by deed, under seal or in writing under its hand.

- 10.1.3 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.
- 10.1.4 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.
- 10.1.5 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 Chargors**

- 10.4.1 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 any contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.
- 10.4.2 No Secured Party will incur any liability (either to any 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**

- 11.1.1 A Receiver has all of the rights, powers and discretions set out below in this Clause 11 in addition to those conferred on it by any law. This includes:-
 - (a) in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986; and
 - (b) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.

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

11.2 Possession

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

11.3 Carry on business

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

11.4 Employees

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

11.4.2 A Receiver may discharge any person appointed by any 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/she thinks fit.

11.6 Sale of assets

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

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

11.6.3 Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of any 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/she thinks fit and may accept a surrender of any lease or tenancy of any Security Asset on any terms which he/she thinks fit (including the payment of money to a lessee or tenant on a surrender).

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 any 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/she 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 any Chargor and transfer to that Subsidiary any Security Asset.

11.12 Delegation

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

11.13 Lending

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

11.14 Protection of assets

A Receiver may:-

11.14.1 effect any repair or insurance and do any other act which any Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;

11.14.2 commence and/or complete any building operation; and

11.14.3 apply for and maintain any planning permission, building regulation approval or any other Authorisation,

in each case as he/she thinks fit.

11.15 Other powers

A Receiver may:-

11.15.1 do all other acts and things which he/she may consider necessary or desirable for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;

11.15.2 exercise in relation to any Security Asset all the powers, authorities and things which he/she would be capable of exercising if he/she were the absolute beneficial owner of that Security Asset; and

11.15.3 use the name of any 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 Security will be held by the Security Agent and applied in accordance with the Intercreditor Agreement. This Clause 12:-

12.1 is subject to the payment of any claims having priority over this Security; and

12.2 does not prejudice the right of any Secured Party to recover any shortfall from any Chargor.

13. EXPENSES AND INDEMNITY

13.1 Subject to any agreed cap, each Chargor must immediately on demand pay to the Security Agent the amount of all costs and expenses (including legal fees, VAT and disbursements) reasonably incurred by the Security Agent in connection with the negotiation, preparation, printing, execution and perfection of this Deed and any other documents referred to in this Deed.

13.2 Each Chargor must immediately on demand pay to the Security Agent the amount of all costs and expenses (including fees legal fees, VAT and disbursements) incurred by the Security Agent arising from any actual or alleged breach by any person of any law or regulation in connection with this Deed and keep the Security Agent 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, 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 Secured 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**

15.1 Each Chargor must promptly on demand, at its own expense, take whatever action the Security Agent or a Receiver may require for:-

15.1.1 creating, perfecting or protecting any security over any Security Asset; or

15.1.2 facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Security Agent or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset.

15.2 The action that may be required under Clause 15.1 includes:-

15.2.1 the execution of any mortgage, charge, transfer, conveyance, assignment or assurance of any asset, whether to the Security Agent or to its nominees; or

15.2.2 the giving of any notice, order or direction and the making of any filing or registration

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

16. **POWER OF ATTORNEY**

Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their respective delegates or sub-delegates to be its attorney with the full power and authority of that Chargor to execute, deliver and

perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case which may be required or which any attorney may in its absolute discretion deem necessary for carrying out any obligation of that Chargor under or pursuant to this Deed or generally for enabling the Security Agent or any Receiver to exercise the respective powers conferred on them under this Deed or by law circumstances where that Chargor has failed to take such steps as to execute, deliver, perfect all deeds, instruments and/or other documents or do or cause to be done all acts and things requested of it by either the Security Agent, each Receiver and any of their respective delegates or sub-delegates within ten Business Days of being so requested to take such action. Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 16.

17. PROTECTION

17.1 Liability of Chargor related to Secured Assets

Notwithstanding anything contained in this Deed or implied to the contrary, each Chargor remains liable to observe and perform all conditions and obligations assumed by it in relation to the Secured Assets. None of the Secured Parties, the Security Agent or any Receiver is under any obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.

17.2 Continuing protection

The provisions of this Clause 17 (*Protection of the Security Agent, the Secured Parties and any Receiver*) shall continue in full force and effect notwithstanding any release or discharge of this Deed or the discharge of any Receiver from office.

18. PRESERVATION OF SECURITY

18.1 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.

18.2 Immediate recourse

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

18.3 New Accounts

18.3.1 If any subsequent charge or other interest affects any Security Asset, a Secured Party may open a new account with any Chargor.

18.3.2 If that Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.

18.3.3 As from that time all payments made to that Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

18.4 **Tacking**

18.4.1 Each Lender (as defined in the Initial Credit Facility Agreement) must perform its obligations under the Initial Credit Facility Agreement (including any obligation to make further advances).

18.4.2 Each Noteholder must perform its obligations under the Note Purchase Agreement (including any obligation to make available further advances).

18.5 **Deferral of Chargor's rights**

During the Security Period and unless the Security Agent otherwise directs, no Chargor shall exercise any rights which it may have by reason of performance by its obligations under this Deed or the enforcement of the Security created by this Deed:-

18.5.1 to receive or claim payment from, or be indemnified by a Obligor;

18.5.2 to claim any contribution from any guarantor of, or provider of Security in respect of, any Obligor's obligations under the Finance Documents;

18.5.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Secured Party under any Finance Document or of any guarantee or Security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;

18.5.4 to exercise any right of set-off against any Obligor; and/or

18.5.5 to claim or prove as a creditor of any Obligor in competition with any Secured Party.

19. **RELEASE**

19.1 **Release**

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

19.2 **Reinstatement**

If the Security Agent considers that any amount paid or credited to any Secured Party under any Finance Document (whether in respect of the obligations of any Obligor or any Security for those obligations or otherwise) is capable of being avoided, reduced or otherwise set aside:-

19.2.1 that amount shall not be considered to have been paid for the purposes of determining whether the Secured Liabilities have been irrevocably and unconditionally paid and discharged; and

19.2.2 the liability of the Chargors and the Security created by this Deed shall continue as if that amount had not been paid or credited.

20. **MISCELLANEOUS PROVISIONS**

20.1 **Severability**

If any provision of this Deed is illegal, invalid or unenforceable in any jurisdiction, that shall not affect:-

20.1.1 the validity or enforceability of any other provision, in any jurisdiction; or

20.1.2 the validity or enforceability of that particular provision, in any other jurisdiction.

20.2 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. NOTICES

21.1 Communications in Writing

Each communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, shall be made by fax or letter.

21.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name (in the execution pages) below or any substitute address, fax number, or department or officer as a Party may notify to the other by not less than five Business Days' notice.

21.3 Delivery

21.3.1 Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:-

- (a) if by way of fax, when received in legible form; or
- (b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 21.2 (*Addresses*) of this Deed, if addressed to that department or officer.

21.3.2 Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's signature below (or any substitute department or officer as the Security Agent shall specify for this purpose).

21.4 English language

21.4.1 Any notice given under or in connection with this Deed must be in English.

21.4.2 All other documents provided under or in connection with this Deed must be:

- (a) in English; or
- (b) if not in English, and if so required by the Security Agent or Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

22. **GOVERNING LAW**

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

23. **ENFORCEMENT**

23.1 **Jurisdiction of English Courts**

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

23.1.2 The Parties to this Deed agree that the courts of England are the most appropriate and convenient courts to settle disputes and accordingly no such Party will argue to the contrary.

23.1.3 This Clause 23.1 is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

EXECUTED AND DELIVERED AS A DEED on the date set out at the beginning of this Deed.

SCHEDULE 1

CHARGORS

NAME	JURISDICTION	REGISTERED NUMBER
London Square (Fulham) Limited	England and Wales	07788521
London Square Limited	England and Wales	07774351

SCHEDULE 2

FORM OF NOTICE OF ASSIGNMENT

To be printed on the headed notepaper of the Chargor

To: [Insert name and address of Original Borrower[s]]

Date: []

Dear Sirs,

**[DESCRIPTION OF SUBORDINATED DEBT] (THE "SUBORDINATED DEBT") AND
[DESCRIPTION OF SUBORDINATED DOCUMENTS] (THE "SUBORDINATED
DOCUMENTS")**

1. We give you notice that we have entered into a security agreement dated [] in favour of **[SECURITY AGENT]** (the "**Security Agent**") (the "**Security Agreement**").
2. We give you notice that, pursuant to the terms of the Security Agreement, we have assigned (and, to the extent not validly or effectively assigned, we have charged by way of fixed charge) to the Security Agent by way of security all of our rights, title and interest from time to time in, and the full benefit of, the Subordinated Debt and the Subordinated Documents and all rights, title and interest in any amounts payable to us in respect of the Subordinated Debt and the Subordinated Documents.
3. Following the Security Agent's notification to you that the security created by the Security Agreement has become enforceable:-
 - 3.1 [all payments to be made to us under or arising in respect of the Subordinated Debt and under the Subordinated Documents should be made [to the Security Agent or to its order as it may specify in writing from time to time] *[specify bank account]*;
 - 3.2 all remedies provided for in the Subordinated Documents or available at law or in equity are exercisable by the Security Agent;
 - 3.3 you are authorised and instructed, without further approval from us, to comply with your obligations (including without limitation your payment obligations) in respect of the Subordinated Debt and under the Subordinated Documents in accordance with the written instructions of the Security Agent from time to time (and to hold the money for

any such payments to the Security Agent's order pending receipt of written instructions from the Security Agent); and

- 3.4 subject to paragraph 4 below, you shall allow the Security Agent to perform all the obligations assumed by us in respect of the Subordinated Debt and under the Subordinated Documents.]¹
4. We shall remain liable to perform all our obligations in respect of the Subordinated Debt and under the Subordinated Documents and the Security Agent shall be under no obligation of any kind whatsoever in respect of the Subordinated Debt and the Subordinated Documents.
5. This notice, and any dispute or claim arising out of or in connection with it, shall be governed by and construed in accordance with English law.

Please acknowledge receipt of this notice and your acknowledgement of the matters and instructions set out above within [5] days of receipt by signing, dating and returning the enclosed copy of this letter directly to the Security Agent at [] marked for the attention of [].

Yours faithfully,

for and on behalf of
[CHARGOR]

Acknowledged:

.....

For and on behalf of

[Original Borrower[s]]

¹ Please ensure this dovetails with the requirements in the facility agreement and subordination deed

EXECUTION PAGES

CHARGORS

EXECUTED as a Deed (but not delivered)
until dated) by)
LONDON SQUARE LIMITED acting by a Director)
)

in the presence of:-



Scott Brown.....

Full Name (Director)

Lyn Trindell.....
Full Name (Witness)

.....
Signature of Director/Attorney

One York Rd......

.....
Signature of Witness

Uxbridge Middx UB8 1RW.....

Address

Office Manager.....

Occupation

EXECUTED as a Deed (but not
delivered
until dated) by
LONDON SQUARE (FULHAM)
LIMITED acting
by a Director

Scott Brown.....
Full Name (Director)

in the presence of:-



Lyn Trindell.....
Full Name (Witness)

.....
Signature of Director/Attorney

One York Rd......

.....
Signature of Witness

Uxbridge Middx UB8 1RW.....

Address

Office Manager.....

Occupation

SECURITY AGENT

National Westminster Bank Plc

By:



LEE DONNITHORPE



WITNESSED BY:

TOBY BENNETT