



**Registration of a Charge**

Company name: **LXI REIT PLC**

Company number: **10535081**



X8AU09VH

Received for Electronic Filing: **31/07/2019**

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**Details of Charge**

Date of creation: **31/07/2019**

Charge code: **1053 5081 0006**

Persons entitled: **LLOYDS BANK PLC AS SECURITY TRUSTEE**

Brief description:

**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 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: **JENNIFER MCCABE**



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

Company number: 10535081

Charge code: 1053 5081 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st July 2019 and created by LXI REIT PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 31st July 2019 .

Given at Companies House, Cardiff on 1st August 2019

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**

DATE: 31 July 2019

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**SECURITY AGREEMENT**

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Between

**LXI REIT PLC**

and

**LLOYDS BANK PLC**

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THIS DEED is dated 31 July 2019 and is made

**BETWEEN:**

- (1) **LXI REIT PLC** (registered number 10535081 with registered address Mermaid House, 2 Puddle Dock, London EC4V 3DB) (the “Chargor”); and
- (2) **LLOYDS BANK PLC** (the “Security Trustee”) as security trustee for the Secured Parties (as defined below).

**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 INTERPRETATION**

*Definitions*

- 1.1 In this Deed the following terms have the following meanings:

“Act”: the Law of Property Act 1925.

“Authorisation”: an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

“Charged Property”: “the assets mortgaged, charged or assigned by the Chargor under this Deed.

“Facility Agreement”: the £100,000,000 facility agreement entered into on or about the date of this deed between (among others) (1) LXI Property Holdings 4 Limited and (2) the Security Trustee as otherwise amended or restated from time to time.

“Group”: means the Chargor and its Subsidiaries for the time being.

“Investments”: the Shares.

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

“Related Rights”:

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

“Secured Liabilities”: all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Transaction Obligor to any Secured Party under each Finance Document.

“Security”: 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 Asset”**: any asset of the Chargor which is, or is expressed to be, subject to any Security created by this Deed.

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

**“Shares”**: the shares owned by the Chargor in the share capital of LXI Property Holdings 4 Limited as set out in Schedule 2 (*Shares*) and any other shares in the share capital of the LXI Property Holdings 4 Limited.

**“Third Parties Act”**: the Contracts (Rights of Third Parties) Act 1999.

### ***Construction***

- 1.2 Capitalised terms defined in the Facility Agreement have the same meaning in this Deed unless expressly defined in this Deed.
- 1.3 The provisions of clauses 1.2 to 1.6 (*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.
- 1.4 Unless a contrary indication appears, a reference in this Deed to:
  - 1.4.1 a Finance Document or any other agreement, instrument or other document shall be construed as a reference to that Finance Document or that other agreement, instrument or document as the same may have been, or may from time to time be, restated, varied, amended, supplemented, substituted, novated or assigned, whether or not as a result of any of the same:
    - (a) there is an increase or decrease in any facility made available under that Finance Document or other agreement, instrument or document or an increase or decrease in the period for which any facility is available or in which it is repayable;
    - (b) any additional, further or substituted facility to or for such facility is provided;
    - (c) any rate of interest, commission or fees or relevant purpose is changed;
    - (d) the identity of the parties is changed;
    - (e) the identity of the providers of any security is changed;
    - (f) there is an increased or additional liability on the part of any person; or
    - (g) a new agreement is effectively created or deemed to be created.
  - 1.4.2 any “**rights**” in respect of an asset includes:
    - (a) all amounts and proceeds paid or payable;
    - (b) all rights to make any demand or claim; and
    - (c) all powers, remedies, causes of action, security, guarantees and indemnities, in each case in respect of or derived from that asset;



1.4.3 any “share”, “stock”, “debenture”, “bond” or “other security” or “investment” includes:

- (a) any dividend, interest or other distribution paid or payable;
- (b) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,

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

1.4.4 the term “this Security” means any Security created by this Deed.

1.5 Any covenant of the Chargor under this Deed (other than a payment obligation which has been discharged) remains in force during the Security Period.

1.6 The terms of the other Finance Documents and of any other agreement or instrument between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition, or any agreement for the disposition, of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.7 If the Security Trustee considers that an amount paid to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.

1.8 Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.

### ***Third party rights***

1.9 Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Deed.

1.10 Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

1.11 Any Receiver may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to Clause 1.10 above and the provisions of the Third Parties Act.

## **2. CREATION OF SECURITY**

### ***General***

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

2.2 All the security created under this Deed is:

- 2.2.1 created in favour of the Security Trustee;
- 2.2.2 created over present and future assets of the Chargor;
- 2.2.3 security for the payment of all the Secured Liabilities; and
- 2.2.4 made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

- 2.3 The Security Trustee holds the benefit of this Deed and this Security on trust for the Secured Parties.

***Investments***

- 2.4 The Chargor charges by way of a first fixed charge its interest in all its Investments.

***Other contracts***

- 2.5 The Chargor:

2.5.1 assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights:

- (a) in respect of the Subordinated Debt;
- (b) under any Subordinated Credit Agreement (as defined in the Subordination Agreement); and
- (c) under any document, agreement or instrument to which it and any nominee or trustee is party in respect of an Investment; and

2.5.2 charges by way of a first fixed charge all of its rights under any other document, agreement or instrument to which it is a party except to the extent that it is subject to any fixed security created under any other term of this Clause 2.

- 2.6 To the extent that they have not been effectively assigned under Clause 2.5.1 above, the Chargor charges by way of a first fixed charge all of its rights listed under Clause 2.5.1 above.

***Non-Assignable Rights***

- 2.7 The Chargor declares that to the extent that any right, title, interest or benefit in or in respect of any asset described in this Clause 2 (*Creation of security*) cannot be or is not effectively assigned pursuant to 2.5.1 (*Other contracts*), the Chargor shall:

2.7.1 promptly notify the Security Trustee of the same and the reasons why such asset is not capable of assignment; and

2.7.2 hold the benefit of the same on trust for the Security Trustee as security for the payment and discharge of the Secured Liabilities.

**3. RESTRICTIONS ON DEALINGS**

***Security***

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

***Disposals***

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

**4. INVESTMENTS**

***Deposit***

- 4.1 The Chargor must immediately:

4.1.1 deposit with the Security Trustee, or as the Security Trustee may direct:

- (a) on or before the date of this deed, all certificates and other documents of title or evidence of ownership in relation to the Shares; and
  - (b) on the date of the acquisition of any shares in the Borrower acquired by the Chargor after the date of this deed, the certificates or other documents of title to such shares; and
- 4.1.2 execute and deliver to the Security Trustee all share transfers and other documents which may be requested by the Security Trustee in order to enable the Security Trustee or its nominees to be registered as the owner of or otherwise obtain a legal title to its Investments.

#### *Calls*

- 4.2 The Chargor must pay all calls or other payments due and payable in respect of any of its Investments in accordance with the Facility Agreement.
- 4.3 If the Chargor fails to do so, the Security Trustee may pay the calls or other payments in respect of any of its Investments on behalf of the Chargor. The Chargor must immediately on request reimburse the Security Trustee for any payment made by the Security Trustee under Clause 4.2 (*Calls*).

#### *Other obligations in respect of Investments*

- 4.4 The Chargor must promptly send a copy to the Security Trustee of, and comply with all requests for, information which is within its knowledge and which are made under any law or regulation or any similar provision contained in any articles of association or other constitutional document, or by any listing or other authority, relating to any of its Investments. If it fails to do so, the Security Trustee may elect to provide such information as it may have on behalf of the Chargor.
- 4.5 The Chargor must comply with all other conditions and obligations assumed by it in respect of any of its Investments.
- 4.6 The Security Trustee is not obliged to:
  - 4.6.1 perform any obligation of the Chargor;
  - 4.6.2 make any payment;
  - 4.6.3 make any enquiry as to the nature or sufficiency of any payment received by it or the Chargor; or
  - 4.6.4 present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,in respect of any of its Investments.

#### *Voting rights*

- 4.7 Before this Security becomes enforceable:
  - 4.7.1 the voting rights, powers and other rights in respect of its Investments will be exercised:
    - (a) by the Chargor; or
    - (b) if exercisable by the Security Trustee, in any manner which the Chargor may direct the Security Trustee in writing.

- 4.8 The Chargor must indemnify the Security Trustee against any loss or liability incurred by the Security Trustee as a consequence of the Security Trustee acting in respect of any of its Investments as permitted by this Deed on the direction of the Chargor.
- 4.9 After this Security has become enforceable, the Security Trustee may exercise (in the name of the Chargor and without any further consent or authority on the part of the Chargor) any voting rights and any powers or rights which may be exercised by the legal or beneficial owner of any Investment, any person who is the holder of any Investment or otherwise.

## **5. OTHER CONTRACTS**

- 5.1 The Chargor must, at the request of the Security Trustee:
- 5.1.1 immediately serve a notice of assignment or charge (as applicable), substantially in the form of Part 1 of Schedule 1 (*Forms of Letter for Other Contracts*), on each counterparty to a contract listed in Clauses 2.5 to 2.6 (*Other contracts*); and
- 5.1.2 use reasonable endeavours to ensure that each such party acknowledges that notice, substantially in the form of Part 2 of Schedule 1 (*Forms of Letter for Other Contracts*).

## **6. REPRESENTATIONS**

### ***General***

- 6.1 The Chargor makes the representations and warranties set out in this Clause 6 to the Security Trustee on the date of this Deed.

### ***Status***

- 6.2 It is a limited liability corporation, duly incorporated and validly existing under the law of its Original Jurisdiction.
- 6.3 It has the power to own its assets and carry on its business as it is being conducted.

### ***Binding Obligations***

- 6.4 The obligations expressed to be assumed by it in this Deed are, subject to the Legal Reservations, legal, valid, binding and enforceable obligations.

### ***Power and Authority***

- 6.5 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.
- 6.6 No limit on its powers will be exceeded as a result of the giving of the guarantee and indemnities contemplated by this Deed.

### ***Non-conflict with Other Obligations***

- 6.7 The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not conflict with:
- 6.7.1 any law or regulation applicable to it;
- 6.7.2 its constitutional documents; or

6.7.3 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 where such conflict has or is reasonably likely to have a Material Adverse Effect,

nor result in the existence or imposition of, or oblige it to create, any Security in favour of any person over all or any of its assets secured in favour of the Security Trustee.

***Validity and Admissibility in Evidence***

6.8 All Authorisations required or desirable to:

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

6.8.2 make this Deed admissible in evidence in its jurisdiction of incorporation, have been obtained or effected and are in full force and effect.

***Governing Law and Enforcement***

6.9 Subject to the Legal Reservations, the choice of English law as the governing law of this Deed will be recognised and enforced in its jurisdiction of incorporation.

6.10 Subject to the Legal Reservations, any judgment obtained in the courts of England in relation to this Deed will be recognised and enforced in its jurisdiction of incorporation.

***No Filing or Stamp Taxes***

6.11 Under the law of its Original Jurisdiction it is not necessary that this Deed be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to this Deed or the transactions contemplated by this Deed.

***No Breach of Law or Default***

6.12 It has not breached any law or regulation which breach has or is reasonably likely to have a Material Adverse Effect.

6.13 No event or circumstance is outstanding which constitutes a default under any agreement or instrument binding on it, or any of its assets, which has or is reasonably likely to have a Material Adverse Effect.

***Deduction of Tax***

6.14 It is not required to make any deduction for or on account of Tax from any payment it may make under this Deed.

***Reliance***

6.15 The Chargor acknowledges that the Security Trustee has accepted this Deed in full reliance on the representations and warranties set out in this Clause 6.

***Continuing Representations***

6.16 The Chargor undertakes with the Security Trustee that the representations and warranties in this Clause 6 will be true and accurate throughout the continuance of this Deed by reference to the facts and circumstances existing from time to time.

**7. GENERAL UNDERTAKINGS AND REPRESENTATIONS**

***General***

- 7.1 The undertakings in Clause 6 remain in force from the date of this Deed for so long as any amount is outstanding under this Deed.
- 7.2 The Chargor acknowledges and accepts that it has read and understood the Finance Documents and undertakes to comply with each provision of the Finance Documents where a Transaction Obligor has undertaken to procure compliance by the Chargor.

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

### *Event of Default*

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

### *Discretion*

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

### *Statutory powers*

- 8.3 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**

### *General*

- 9.1 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.
- 9.2 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.
- 9.3 The statutory powers of leasing conferred on the Security Trustee are extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee may think fit and without the need to comply with any provision of section 99 or section 100 of the Act.

### *No liability as mortgagee in possession*

- 9.4 Neither the Security Trustee 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.

### *Privileges*

- 9.5 The Security Trustee 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.

### *Protection of third parties*

- 9.6 No person (including a purchaser) dealing with the Security Trustee or a Receiver or its or his/her agents will be concerned to enquire:
- 9.6.1 whether the Secured Liabilities have become payable;

- 9.6.2 whether any power which the Security Trustee or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- 9.6.3 whether any money remains due under the Finance Documents; or
- 9.6.4 how any money paid to the Security Trustee or to that Receiver is to be applied.

***Redemption of prior mortgages***

- 9.7 At any time after this Security has become enforceable, the Security Trustee may:
  - 9.7.1 redeem any prior Security against any Security Asset; and/or
  - 9.7.2 procure the transfer of that Security to itself; and/or
  - 9.7.3 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.
- 9.8 The Chargor must pay to the Security Trustee, immediately on demand, the costs and expenses incurred by the Security Trustee in connection with any such redemption and/or transfer, including the payment of any principal or interest.

***Contingencies***

- 9.9 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 Trustee (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it.

***Financial collateral***

- 9.10 To the extent that the Security Assets constitute “financial collateral” and this Deed and the obligations of the 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 Trustee 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.
- 9.11 Where any financial collateral is appropriated:
  - 9.11.1 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
  - 9.11.2 in any other case, its value will be such amount as the Security Trustee reasonably determines having taken into account advice obtained by it from an independent commercial property adviser, investment bank or accountancy firm of national standing selected by it,

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

## **10. RECEIVER**

***Appointment of Receiver***

- 10.1 Except as provided below, the Security Trustee may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
  - 10.1.1 this Security has become enforceable; or

- 10.1.2 the Chargor so requests to the Security Trustee at any time.
- 10.2 Any appointment under Clause 10.1 above may be by deed, under seal or in writing under its hand.
- 10.3 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.
- 10.4 The Security Trustee 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.
- 10.5 The Security Trustee may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Security Trustee 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.

***Removal***

- 10.6 The Security Trustee 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.

***Remuneration***

- 10.7 The Security Trustee 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.

***Agent of the Chargor***

- 10.8 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 any contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.
- 10.9 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.

***Relationship with Security Trustee***

- 10.10 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 Trustee in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

**11. POWERS OF RECEIVER**

***General***

- 11.1 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:
- 11.1.1 in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986; and
- 11.1.2 otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.



- 11.2 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.

***Possession***

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

***Carry on business***

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

***Employees***

- 11.5 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.

- 11.6 A Receiver may discharge any person appointed by the Chargor.

***Borrow money***

- 11.7 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.

***Sale of assets***

- 11.8 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.

- 11.9 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.

- 11.10 Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor.

***Leases***

- 11.11 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).

***Compromise***

- 11.12 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.

***Legal actions***

- 11.13 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.

***Receipts***

- 11.14 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.

### ***Subsidiaries***

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

### ***Delegation***

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

### ***Lending***

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

### ***Protection of assets***

- 11.18 A Receiver may:

11.18.1 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;

11.18.2 commence and/or complete any building operation; and

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

in each case as he/she thinks fit.

### ***Other powers***

- 11.19 A Receiver may:

11.19.1 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;

11.19.2 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

11.19.3 use the name of the Chargor for any of the above purposes.

## **12. APPLICATION OF PROCEEDS**

- 12.1 All amounts from time to time received or recovered by the Security Trustee 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 Trustee and applied in accordance with the Facility Agreement. This Clause 12:

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

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

## **13. EXPENSES AND INDEMNITY**

- 13.1 The Chargor must:

13.1.1 immediately on demand pay to each Secured Party the amount of all costs and expenses (including legal fees) incurred by that Secured Party in connection with this Deed including any arising from any actual or alleged breach by any person of any law or regulation; and

- 13.1.2 keep each Secured Party indemnified against any failure or delay in paying those costs or expenses.

#### **14. DELEGATION**

##### *Power of Attorney*

- 14.1 The Security Trustee 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.

##### *Terms*

- 14.2 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 Trustee or that Receiver (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties.

##### *Liability*

- 14.3 Neither the Security Trustee 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 The Chargor must promptly, at its own expense, take whatever action the Security Trustee 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 Trustee 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 above includes:

- 15.2.1 the execution of any mortgage, charge, transfer, conveyance, assignment or assurance of any asset, whether to the Security Trustee 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 Trustee may consider necessary or desirable.

#### **16. POWER OF ATTORNEY**

- 16.1 The Chargor, by way of security, irrevocably and severally appoints the Security Trustee, each Receiver and any of their respective delegates or sub-delegates to be its attorney with the full power and authority of the Chargor to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case which may be required or which any attorney may in its absolute discretion deem necessary for carrying out any obligation of the Chargor under or pursuant to this Deed which the Chargor has failed to do or generally for enabling the Security Trustee or any Receiver to exercise the respective powers conferred on them under this Deed or by law. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 16.

**17. NOTICES**

***Communications in Writing***

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

***Addresses***

- 17.2 The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of the Chargor and the Security Trustee for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name below:

**Chargor:**

Address:	c/o LXI REIT Advisors Limited 9 Clifford Street, London, W1S 2FT United Kingdom
Fax Number:	
For the Attention of:	Simon Lee / Jamie Beale

**SECURITY TRUSTEE:**

Address:	Corporate Real Estate, 1 <sup>st</sup> Floor, 10 Gresham Street, London EC2V 7AE
For the Attention of:	Relationship Director

or any substitute address, fax number or department or officer as the Chargor may notify to the Security Trustee or, as the case may be, the Security Trustee may notify to the Chargor, in each case by not less than five Business Days' notice.

***Delivery***

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

17.3.1 if by way of fax, when received in legible form; or

17.3.2 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 17.2 (*Addresses*), if addressed to that department or officer.

- 17.4 Any communication or document to be made or delivered to the Security Trustee will be effective only when actually received by it and then only if it is expressly marked for the attention of the department or officer identified with the Security Trustee's name in Clause 17.2 (*Addresses*) (or any substitute department or officer as it shall specify for this purpose).

- 17.5 The Security Trustee may rely on any communication or document believed by it to be genuine, correct and appropriately authorised and shall be entitled to assume the validity and accuracy of such communication or document which shall be binding on the Chargor for the purposes of this Deed.

*English Language*

- 17.6 Any notice or communication given or made under or in connection with this Deed must be in English. All other documents provided under or in connection with this Deed must be:

17.6.1 in English; or

17.6.2 if not in English, and if so required by the Security Trustee, 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.

**18. MISCELLANEOUS**

*Continuing Security*

- 18.1 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.

*Tacking*

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

*New Accounts*

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

- 18.4 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.

- 18.5 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.

*Time deposits*

- 18.6 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:

18.6.1 this Security has become enforceable; and

18.6.2 no Secured Liability is due and payable,

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

*Notice to Chargor*

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

### *Chargor intent*

- 18.8 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.

### *Limited Recourse*

- 18.9 Save in the case of fraud, gross negligence or wilful deceit, the maximum liability of the Chargor under this Deed shall at all times be limited to the Chargor's interests in the Charged Property and the sole recourse of the Security Trustee to the assets of the Chargor and the Security Trustee's right of enforcement against the Chargor in respect of the Secured Liabilities pursuant to this Deed shall at all times be limited to the rights of enforcement and recovery against the Charged Property and accordingly the Security Trustee agrees that the amount recoverable against the Chargor under this Deed above shall be limited to the aggregate amount equal to:
- 18.9.1 the aggregate amount generated by enforcement of the security created by this Deed over the Charged Property; or
- 18.9.2 the aggregate amount of the proceeds of any disposal by a Receiver of all or any part of the Charged Property.

## **19. RELEASE**

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

## **20. GOVERNING LAW**

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

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

**SCHEDULE 1**  
**FORMS OF LETTER FOR OTHER CONTRACTS**

**Part 1**  
**Notice to Counterparty**

To: [Contract Counterparty]

Copy: [Security Trustee] (as Security Trustee as defined below)

[Date]

Dear Sirs,

**Security Agreement dated [●] between [Chargor]  
and [Security Trustee] (the “Security Agreement”)**

This letter constitutes notice to you that under the Security Agreement we have [assigned absolutely, subject to a proviso for re-assignment on redemption,]/[charged by way of a first fixed charge]<sup>1</sup> to [Security Trustee] (as trustee for the Secured Parties as referred to in the Security Agreement, the “Security Trustee”) all our rights in respect of [insert details of contract] (the “Contract”).

We confirm that:

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

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

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

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

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Trustee at [address] with a copy to us.

Yours faithfully,

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

---

<sup>1</sup> Delete as applicable.

**Part 2**  
**Acknowledgement of Counterparty**

To: [Security Trustee] (as Security Trustee)

Copy: [Chargor]

[Date]

Dear Sirs,

**Security Agreement dated [●] between [Chargor]  
and [Security Trustee] (the “Security Agreement”)**

We confirm receipt from [Chargor] (the “Chargor”) of a notice dated [●] (the “Notice”) of [an assignment]/[fixed charge]<sup>2</sup> on the terms of the Security Agreement of all the Chargor’s rights in respect of [insert details of the contract] (the “Contract”).

We confirm that we:

1. accept the instructions contained in the Notice and agree to comply with the Notice; and
2. will give notices and make payments under the Contract as directed in the Notice.

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

Yours faithfully,

.....  
(Authorised signatory)  
[Contract counterparty]

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<sup>2</sup> Delete as applicable.



#### **SCHEDULE 4**

##### **SHARES**

<b>Company</b>	<b>Description of shares</b>	<b>Number of shares charged</b>	<b>Percentage of issued share capital</b>
LXi Property Holdings 4 Limited	Ordinary shares	1001 of £1	100%

## SIGNATORIES

### THE CHARGOR

[EXECUTED as a deed by LXI REIT )  
ADVISORS LIMITED, acting by a director, )  
as attorney for LXI REIT PLC in the presence )  
of:]<sup>3</sup>



Witness signature:



Witness name: EMMA HINDS

Witness address:



Witness occupation: TEAM ASSISTANT

Address: c/o LXI REIT Advisors Limited, 9 Clifford Street, London W1S 2FT

Fax number:



Attention: Simon Lee / Jamie Beale

Email:



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<sup>3</sup> CMS note: method of execution TBC.

**SECURITY TRUSTEE**

Executed as a deed by

as attorney for:

)  
)



**LLOYDS BANK PLC**  
in the presence of

Signature of witness



Name (in BLOCK CAPITALS)

CATRIN EVANS

Address.....

CMS Cameron McKenna Nabarro Olswang LLP  
Cannon Place  
78 Cannon Street  
London  
EC4N 6AF

Address: Commercial Real Estate – Institutional, 10 Gresham Street, London, EC2V 7AE, United Kingdom.

Attention: Trish Milner