



# House Crowd Finance (Security Agent) Ltd

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Legal Charge Template



## **Legal Charge**

(1)[            ]

(2)House Crowd Finance (Security Agent) Limited

Dated

2019

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**This Deed** is made on

2019

**Between:**

(1) [ ] of [ ] (the "**Chargor**"); and

(2) **House Crowd Finance (Security Agent) Limited** (company number 09893838) whose registered office is situated at 91-95 Hale Road, Hale, WA15 9HW (the "**Security Agent**").

**Background:**

- (A) This Deed is supplemental to the Loan Agreement (as defined below) pursuant to which the Charger is bound to pay the Security Agent an amount, and at a time, determined in accordance with the terms of the Loan Agreement.
- (B) The Chargor is entering into this Deed pursuant to clause 2 (*Loan*) of the Loan Agreement in order to charge the Property (as defined below) in order to secure the moneys and liabilities covenanted to be paid by the Chargor in the Loan Agreement.

**It is agreed** as follows:

1. **Definitions and interpretation**

- 1.1 Unless the context otherwise requires, words or expressions defined in the Loan Agreement shall have the same meaning in this Deed. In this Deed:

**"Loan Agreement"** means the loan agreement dated on or about the date of this Deed and made between the Security Agent and the Chargor under which the Lenders (as defined in the Loan Agreement) have made available certain facilities to the Chargor.

**"Property"** means the property described in the Schedule to this Deed (excluding any part of the Property which is released from the terms of this Deed by the Security Agent pursuant to the provisions of the Loan Agreement).

**"Secured Sums"** means the all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Chargor to any Secured Party under the Loan Agreement and this Deed except for any borrowing regulated by the Consumer

Credit Act 1974.

**“Secured Parties”** means the Lender (as defined in the Loan agreement) and the Security Agent

**"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.

## 1.2 ***Interpretation***

- (a) Unless the context otherwise requires the interpretative provisions set out in the paragraphs below shall apply in this Deed.
- (b) References to any party to this Deed shall be construed so as to include that party's respective successors in title, permitted assigns and permitted transferees.
- (c) **"Including"** and **"in particular"** shall not be construed restrictively but shall mean respectively "including, without prejudice to the generality of the foregoing" and "in particular, but without prejudice to the generality of the foregoing".
- (d) A **"person"** includes any person, firm, company, corporation, government, state or agency of a state or any association, joint venture, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing.
- (e) **"Property"** includes any interest (legal or equitable) in real or personal property and any thing in action.
- (f) **"Receiver"** means any receiver and manager appointed under Clause [10 \(\*Appointment of a Receiver\*\)](#) and (where the context permits) includes any substituted receiver and manager or receivers and managers;
- (g) **"Variation"** includes any variation, amendment, accession, novation, restatement, modification, assignment, transfer, supplement, extension, deletion or replacement however effected and "vary" and "varied" shall be construed accordingly.
- (h) **"Writing"** includes facsimile transmission legibly received except in relation to any certificate, notice or other document which is expressly required by this Deed to be signed and "written" has a corresponding meaning.
- (i) References to this Deed to any other document include references to this Deed or such other document as varied in any manner from time to time, even if changes are made to the composition of the parties to this

Deed or such other document.

- (j) The singular shall include the plural and vice versa and any gender shall include the other genders.
- (k) Clauses, paragraphs and Schedules shall be construed as references to clauses and paragraphs of, and schedules to, this Deed.
- (l) Any reference to any statute or statutory instrument or any section of it shall be deemed to include a reference to any statutory modification or re-enactment of it for the time being in force in relation to the particular circumstances.
- (m) Headings in this Deed are inserted for convenience and shall not affect its interpretation.
- (n) In the event of any inconsistency between the provisions of this Deed and the provisions of the Loan Agreement, the provisions of the Loan Agreement shall prevail.
- (o) if there are two or more parties comprised in the expression the **“Chargor”** then:
  - (i) any reference to the “Chargor” shall where the context permits include all or any one or more of such parties;
  - (ii) all covenants and agreements herein contained or implied on the part of the Chargor shall be deemed to be joint and several covenants on the part of such parties;
  - (iii) if for any reason whatsoever this Deed shall not be, or shall cease to be, binding on and effective against one or more of such parties, then this Deed shall take effect as a charge over or assignment of the beneficial interest of the other such party or parties in the Property and over such other estate, right, title or interest in the Property as such other party or parties may have;
  - (iv) any demand made under this Deed shall be deemed to have been duly made if made on any one or more of such parties; and
  - (v) if any one or more of such parties is not bound by the provisions of this Deed (whether by reason of its or their lack of capacity or improper execution of this Mortgage or for any other reason whatsoever) the remaining party or parties shall be and remain bound by the provisions of this Deed as if such other party or parties had never been party hereto.

The perpetuity period for any trusts created by this Deed is 125 years.

#### 1.4 ***Effect as a Deed***

This Deed is intended to take effect as a deed notwithstanding that the Security Agent may have executed it under hand only.

### 2. **Covenant to pay**

#### 2.1 ***Covenant to pay***

The Chargor hereby covenants that it will, on the Security Agent's written demand, pay or discharge to the Security Agent (as security agent for the Secured Parties) the Secured Sums in the manner and at the times provided in the Loan Agreement.

#### 2.2 ***Proviso***

The covenants contained in this Clause and the Security created by this Deed shall not extend to or include any liability or sum which would otherwise cause any such covenant or security to be unlawful or prohibited by any applicable law.

#### 2.3 ***Demands***

- (a) The making of one demand shall not preclude the Security Agent from making any further demands.
- (b) Any third party dealing with the Security Agent or any Receiver shall not be concerned to see or enquire as to the validity of any demand under this Deed.

### 3. **Charging Clause**

3.1 The Chargor, with full title guarantee, as security for the payment or discharge of all Secured Sums, charges to the Security Agent (as security agent for the Secured Parties) by way of legal charge all of the Property together with all buildings, fixtures and fixed plant and machinery at any time thereon.

3.2 This Deed is created in favour of the Security Agent as agent for the Secured Parties, and the Security Agent holds the benefit of this Deed as Agent for the Secured Parties.

### 4. **Incorporation of provisions**

All of the covenants, provisions and powers contained in or subsisting under the Loan Agreement shall be applicable for securing all of the moneys and liabilities hereby secured and for defining and enforcing the rights of the Parties

under this Deed as if such covenants, provisions and powers had been set out in full in this Deed, with the appropriate changes having been made.

5. **Application to the Land Registry**

In relation to each register of title of the Property, the Chargor consents to the Security Agent (or its solicitors) at any time submitting to the Land Registry any and all of the following, at any time:

(a) a form RX1 (application to register a restriction) in the following terms:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated 2018 in favour of House Crowd Finance (Security Agent) Limited referred to in the charges register or their conveyancer"

6. **"Negative pledge**

The Chargor shall not, without the prior written consent of the Security Agent, create, or agree or attempt to create, or permit to subsist, any Security or any trust over the Property.

7. **Further assurance**

The Chargor shall, promptly on the Security Agent's written demand, and at the cost of the Chargor, do all such acts and execute all such documents as the Security Agent may reasonably specify and in such form as the Security Agent may reasonably require (provided that the provisions are no more onerous than the provisions of his Deed) in order to perfect this Deed.

8. **Continuing Security**

This Deed shall be a continuing security for the Secured Sums and shall not be discharged by any intermediate payments or settlement of accounts or other matters but shall be binding until all the Secured Sums have been unconditionally and irrevocably discharged in full.

9. **Costs, expenses and liabilities**

The Chargor will, within three (3) Business Days of the Security Agent's written demand, pay to the Security Agent, on a full indemnity basis, the amount of all costs and expenses (including legal, valuation, accountancy and consultancy fees and disbursements and out of pocket expenses) and any VAT thereon incurred by the Security Agent in connection with the exercise, enforcement and/or preservation of any of its rights under this Deed (or any of the documents contemplated by this Deed) or any proceedings instituted by or against the Security Agent, in any jurisdiction.

## 10. **Appointment of a Receiver**

### 10.1 ***Appointment***

At any time after:

- (a) a step or proceeding is taken for the appointment of an administrator, liquidator or provisional liquidator in relation to the Chargor or for a voluntary arrangement under Part I of the Insolvency Act 1986;
- (b) notices to creditors are sent out under section 98 of the Insolvency Act 1986 in relation to the Chargor;
- (c) a proposal is made in relation to the Chargor for a voluntary arrangement under Part I of the Insolvency Act 1986;
- (d) a step or proceeding is taken in relation to the Chargor with a view to seeking a moratorium; or
- (e) a request has been made by the Chargor to the Security Agent for the appointment of a Receiver or an administrator over the Property or in respect of the Chargor,
- (f) is deemed either unable to pay its debts or as having no reasonable prospect of so doing, in either case, within the meaning of section 268 of the Insolvency Act 1986
- (g) an event of default has taken place pursuant to the Loan Agreement

this Deed shall become enforceable and the Security Agent may (unless precluded by law) appoint in writing any person or persons to be a receiver or receiver and manager or receivers and managers of the Property, provided that this Deed shall not be enforceable in respect of any of the events referred to in paragraphs (a) to (d) above if it relates solely and directly to any winding up petition which is frivolous or vexatious and is discharged, stayed or dismissed within fourteen (14) days of commencement.

### 10.2 ***Power to act separately***

Where more than one Receiver is appointed, the appointees shall have power to act separately unless the Security Agent shall specify to the contrary.

### 10.3 ***Receiver's remuneration***

The Security Agent may from time to time determine the remuneration of a

Receiver.

#### 10.4 ***Removal of Receiver***

The Security Agent may (subject to section 45 of the Insolvency Act 1986) remove a Receiver from the Property, of which he is the Receiver.

#### 10.5 ***Further appointments of a Receiver***

Such an appointment of a Receiver shall not preclude:

- (a) the Security Agent from making any subsequent appointment of a Receiver over the Property over which a Receiver has not previously been appointed or has ceased to act; or
- (b) the appointment of an additional Receiver to act while the first Receiver continues to act.

#### 10.6 ***Receiver's agency***

The Receiver shall be the agent of the relevant Chargor (which shall be solely liable for his acts, defaults and remuneration) unless and until such Chargor goes into liquidation, after which time he shall act as principal and shall not become the agent of the Security Agent.

#### 10.7 ***Powers of a Receiver***

The Receiver may exercise all the powers, rights and discretions set out in Schedules 1 and 2 to the Insolvency Act 1986 and in particular, by way of addition to and without limiting such powers, the Receiver may, with or without the concurrence of others:

- (a) to take possession of, collect and get in all or any part of the Property and for that purpose to take any proceedings as he shall think fit;
- (b) sell, lease, let, license, grant options over and vary the terms of, terminate or accept surrenders of leases, licences or tenancies of the Property without the need to observe any of the provisions of Sections 99 and 100 of the Act, in such manner and generally on such terms and conditions as he shall think fit in his absolute and unfettered discretion and any such sale or disposition may be for cash, shares or securities of another company or other valuable consideration (in each case payable in a lump sum or by instalments) and carry any such transactions into effect in the name of and on behalf of such Chargor;
- (c) sever any plant, machinery and fixtures from the Property to which they are attached and/or sell them separately;

- (d) make any arrangement or compromise which the Security Agent or he shall think fit;
- (e) to repair, insure, protect, improve, develop, enlarge, reconstruct or replace the Property and commence and/or complete any building operations or works of construction or furnishing on the Property and to apply for and obtain any planning permissions, building regulation approvals and any other permissions, consents or licences in each case as he may in his absolute discretion think fit;
- (f) appoint managers, officers and agents for the above purposes at such remuneration as the Receiver may determine;
- (g) to acquire any further property, assets or rights, whether by purchase, lease or otherwise and to charge any such further property, assets or rights;
- (h) to raise or borrow money for any purpose specified in this Clause and so that the Receiver may charge all or any of the Property with the repayment of such money and interest on it in priority to this security;
- (i) to provide such facilities and services for tenants and generally to manage the Property in such manner as he shall think fit;
- (j) to sign any stock transfer form or other assignment or transfer of any share or right of membership in any management company in which the Chargor has a share or right of membership;
- (k) to make any arrangement or compromise which the Security Agent or he shall think fit;
- (l) to exercise all the powers conferred on the Chargor by any statute, deed or contract in respect of all or any part of the Property;
- (m) to sever and sell any plant, machinery and fixtures separately from the property to which they are attached;
- (n) to bring or defend any proceedings in the name of the Chargor in relation to any of the Property;
- (o) to exercise all voting and other rights attaching to stocks, shares and other securities owned by the Chargor and charged by this Deed;
- (p) if the Property is leasehold to vary the terms of or surrender any lease and/or take a new lease of the Property or any part of it on such terms as he shall think fit and so that any new lease shall become charged to the Security Agent on the terms of this Deed so far as it is applicable and to execute a formal legal charge over any such lease in favour of

the Security Agent in such form as it may require;

- (q) redeem any prior encumbrance and settle and pass the accounts of the encumbrancer and any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the relevant Chargor and the money so paid shall be deemed an expense properly incurred by the Receiver;
- (r) pay the proper administrative charges of the Security Agent in respect of time spent by its agents and employees in dealing with matters raised by the Receiver or relating to the receivership of the relevant Chargor;
- (s) do all such other acts and things as may be considered by the Receiver to be incidental or conducive to any of the above matters or powers or otherwise incidental or conducive to the preservation, improvement or realisation of the Property.

## 11 **Power of attorney**

The Chargor by way of security irrevocably appoints the Security Agent and any Receiver and each of them severally to be the attorney of the Chargor (with full powers of substitution and delegation) for the Chargor in its name and on its behalf and as its act and deed to sign, seal, execute, deliver and perfect all deeds, instruments, notices and documents and to perform all acts and things which the Chargor ought to do (but has failed to do so within five Business Days of demand) under the covenants and provisions contained in this Deed and generally in its name and on its behalf to exercise all or any of the powers, authorities and discretions conferred by this Security or by the Act on the Security Agent or any Receiver for carrying into effect any sale or lease, charge, mortgage or dealing by the Security Agent or by any Receiver or for giving to the Security Agent or any Receiver the full benefit of this Security and generally to use the name of the Chargor in the exercise of all or any of the powers, authorities or discretions conferred on the Security Agent or any Receiver. The Chargor hereby covenants with the Security Agent to ratify and confirm whatever any such attorney shall do or purport to do by virtue of this Clause and any money expended by any such attorney shall be deemed to be an expense recoverable from the Chargor under this Deed.

## 12 **Release of Security**

### **12.1 *Redemption***

Subject to Clause [8](#) ([Continuing Security](#)), if all Secured Sums have been unconditionally and irrevocably paid in full, the Security Agent will (promptly and at the request and cost of the Chargor), execute and do all such reasonable acts as may be necessary to release the Property from the Security constituted by this Deed and to remove this Deed and any corresponding restrictions on title from the title to the Property. Such release shall not prejudice the rights of the

Security Agent under Clause 9 (*Costs, expenses and liabilities*).

## **12.2 *Avoidance of payments***

If the Security Agent considers in good faith that any amount received in payment or purported payment of the Secured Sums is capable of being avoided or reduced by virtue of any insolvency, bankruptcy, liquidation or other similar laws, the liability of the Security Agent under this Deed and the Security constituted by this Deed shall continue and such amount shall not be considered to have been irrevocably paid.

## **13 Third party rights**

### **13.1 *Exclusion of Contracts (Rights of Third Parties) Act 1999***

No person other than a party to this Deed shall have any rights by virtue of the Contracts (Rights of Third Parties) Act 1999 or any other provision of English law under which rights might accrue to persons other than a party to enforce any term (express or implied) of this Deed.

### **13.2 *Rights to vary***

The parties to this Deed may by agreement vary any term of this Deed (including this Clause 13) without the necessity of obtaining any consent from any other person.

## **14 Forbearance, severability, variations and consents**

### **14.1 *Delay etc***

All rights, powers and privileges under this Deed shall continue in full force and effect, regardless of the Security Agent exercising, delaying in exercising or omitting to exercise any of them.

### **14.2 *Severability***

No provision of this Deed shall be avoided or invalidated by reason only of one or more other provisions being invalid or unenforceable.

### **14.3 *Illegality, invalidity, unenforceability***

Any provision of this Deed which is or becomes illegal, invalid or unenforceable shall be ineffective only to the extent of such illegality, invalidity and unenforceability, without invalidating the remaining provisions of this Deed.

### **14.4 *Variations***

No variation of this Deed shall be valid and constitute part of this Deed, unless such variation shall have been made in writing and signed by the Security Agent and the Chargor.

#### **14.5 Consents**

Any consent of the Security Agent may be given absolutely or on any terms and subject to any conditions as the Security Agent may determine in its entire discretion.

#### **15 Counterparts**

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

#### **16 Governing law**

This Deed and all non-contractual obligations arising in any way whatsoever out of or in connection with this Deed shall be governed by, construed and take effect in accordance with English law.

#### **17 Enforcement**

**17.1** The courts of England shall have exclusive jurisdiction to settle any claim dispute or matter of difference which may arise in any way whatsoever out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any claim for set-off or the legal relationships established by this Deed (a "**Dispute**")), only where such Dispute is the subject of proceedings commenced by the Chargor.

**17.2** Where a Dispute is the subject of proceedings commenced by the Security Agent, the Security Agent is entitled to bring such proceedings in any court or courts of competent jurisdiction (including but not limited to the courts of England). If the Chargor raises a counter-claim in the context of proceedings commenced by the Security Agent, the Chargor shall bring such counter-claim before the court seized of the Security Agent's claim and no other court.

**17.3** The commencement of legal proceedings in one or more jurisdictions shall not, to the extent allowed by law, preclude the Security Agent from commencing legal actions or proceedings in any other jurisdiction, whether concurrently or not.

**17.4** To the extent allowed by law, the Chargor irrevocably waives any objection it may now or hereafter have on any grounds whatsoever to the laying of venue of any legal proceeding, and any claim it may now or hereafter have that any such legal proceeding has been brought in an inappropriate or inconvenient forum.

**THIS DEED** has been executed by the Chargor as a deed and signed by the

Security Agent and it shall take effect on the date stated at the beginning of this document.

**Schedule - The Property**

<b>Name of the Chargor/ Registered Proprietor</b>	<b>Description of Property</b>	<b>Title Number</b>

**Signatures**

**The Chargor**

Executed as a Deed by

in the presence of:- .....

Signature of Witness: .....

Name of Witness: .....

Address of Witness: .....

.....

.....

Occupation of Witness .....

**Security Agent**

Executed as a Deed by  
House Crowd Finance (Security Agent) Limited  
Acting by its director in the  
Presence of:- .....

Signature of Witness: .....

Name of Witness: .....

Address of Witness: .....  
.....  
.....

Occupation of Witness: .....