Company name: GENERATOR HOSTEL LONDON LIMITED
Company number: 02799205

Received for Electronic Filing: 22/12/2017

Details of Charge

Date of creation: 20/12/2017
Charge code: 0279 9205 0008
Persons entitled: SOCIETE GENERALE, LONDON BRANCH
Brief description: THE CHARGOR CHARGED BY WAY OF LEGAL MORTGAGE THE PROPERTY KNOWN AS GENERATOR HOTEL, MACNAIGHTEN HOUSE, COMPTON PLACE, LONDON, WC1H 9SD, ENGLAND REGISTERED AT THE LAND REGISTRY WITH FREEHOLD TITLE NUMBER NGL718590.

Contains fixed charge(s).
Contains floating charge(s) (floating charge covers all the property or undertaking of the company).
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

Certified by: DENTONS UKMEA LLP
CERTIFICATE OF THE
REGISTRATION OF A CHARGE

Company number: 2799205

Charge code: 0279 9205 0008

The Registrar of Companies for England and Wales hereby certifies that a charge dated 20th December 2017 and created by GENERATOR HOSTEL LONDON LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 22nd December 2017.

Given at Companies House, Cardiff on 28th December 2017

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006.
Security Agreement

Dated 20 December 2017

The Companies listed in Schedule 1
(Chargors)

Societe Generale, London Branch
(Security Agent)
Contents

1 Definitions and Interpretation 1
2 Creation of Security 5
3 Restrictions on Dealings 9
4 Land 9
5 Investments 10
6 Accounts 11
7 Insurances 12
8 Other Contracts 12
9 When Security Becomes Enforceable 13
10 Enforcement of Security 13
11 Receiver 17
12 Powers of Receiver 18
13 Application of Proceeds 20
14 Delegation 20
15 Further Assurances 21
16 Power of Attorney 21
17 Miscellaneous 22
18 Release 22
19 Notices 23
20 Calculations and certificates 24
21 Partial invalidity 24
22 Remedies and waivers 24
23 Amendments and waivers 25
24 Counterparts 25
25 Governing law and enforcement 25

Schedule 1 – Charges 26
Schedule 2 – Real Property 27
Schedule 3 – Forms of Letter for Account Bank 28
Schedule 4 – Forms of Letter for Insurers 31
Schedule 5 – Forms of Letter for Other Contracts 34
Security Agreement

Dated 20 December 2017

Between:

(1) The companies listed in Schedule 1 (Chargors) (each a Chargor and together the Chargors); and

(2) Societe Generale, London Branch (the Security Agent) as security trustee for the Secured Parties (as defined in the Facilities Agreement defined below).

Background:

A The Chargors enter into this Deed in connection with the Facilities Agreement (as defined below).

B It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1 Definitions and Interpretation

1.1 Definitions

In this Deed:

Act means the Law of Property Act 1925.

Agreement for Lease means an agreement to grant an Occupational Lease for all or part of the Mortgaged Property and any other Property.

Authorisation means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

Collateral Warranties means any collateral warranties or the benefit of any construction related agreement (including any appointments, building contracts, bonds, parent company guarantees or novation agreements) obtained by a Chargor (whether entered into by a Chargor or assigned or novated to a Chargor) from time to time in connection with its Land.

Facilities Agreement means the facilities agreement dated on or about the date of this Agreement between, among others, Queensgate Fusion Midco 1 S.à r.l. and Queensgate Fusion Midco 2 S.à r.l. as borrowers and the Security Agent.

Hostel Material Document means:

(a) the agreement between HostelWorld Limited (formerly known as Web Reservations Limited) and Generator Hostel London Limited dated 22 October 2007; and

(b) the agreement between Booking.com Limited and Generator Hostels Limited dated 29 October 2007 (the Booking.com Agreement); and
(c) the agreement between HostelWorld Limited (formerly known as Web Reservations Limited) and Generator Hostel London Limited dated 15 March 2017.

**Insurance** means each contract or policy of insurance to which a Chargor is a party or in which it has an interest.

**Intellectual Property** means:

(a) any patents, petty patents, trade marks, service marks, trade names, domain names, rights in designs, software rights, utility models, database rights, copyrights, rights in the nature of copyright, and all other forms of intellectual or industrial property;

(b) any rights in or to inventions, formulae, confidential or secret processes and information, know-how and similar rights, goodwill and any other rights and assets of a similar nature; and

(c) any other right to use, or application to register or protect, any of the items listed in paragraphs (a) or (b) above,

arising or subsisting in any jurisdiction and whether registered or not.

**Investments** means:

(a) all shares in any member of the Group (other than itself) owned by the Chargor or held by any nominee or trustee on its behalf; and

(b) all other shares, stocks, debentures, bonds or other securities or investments owned by the Chargor or held by any nominee or trustee on its behalf.

**Land** has the same meaning as it has in section 205(1) of the Act.

**Lease Document** means:

(a) an Agreement for Lease;

(b) an Occupational Lease; or

(c) any other document designated as such by the Agent and the Chargors.

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

**Occupational Lease** means any lease or licence or other right of occupation or right to receive rent to which the Mortgaged Property and any other Property may at any time be subject and includes any guarantee of a tenant's obligations under the same.

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

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

**Relevant Contract** means:

(a) a document appointing a Managing Agent;
(b) a document appointing an Asset Manager;
(c) the Chubb MasterPackage insurance policy, with policy number 36034719, where the Chargers are listed as beneficiaries to such policy;
(d) the Omnyy LLP terrorism insurance policy, policy reference DOWNN1600152, where the Chargers are listed as beneficiaries to such policy; and
(e) any other document designated as such by the Security Agent and the Chargers.

Revenue means all revenue and other sums received directly or indirectly from the use or operation of any Hostel considered to be "revenue" with the Uniform System of Accounts.

Secured Liabilities means 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 means a mortgage, charge, pledge, lien, assignment by way of security, retention of title provision, trust or flawed asset arrangement (for the purpose of, or which has the effect of, granting security) or other security interest securing any obligation of any person or any other agreement or arrangement in any jurisdiction having a similar effect.

Security Asset means any asset of a Chargor which is, or is expressed to be, subject to any Security created by this Deed.

Security Documents has the meaning given to it in the Facilities Agreement.

Security Period means the period beginning on the date of this Deed and ending on the date on which the Security Agent (acting reasonably) is satisfied that:

(a) all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full; and
(b) no Secured Party is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Transaction Obligor pursuant to the Finance Documents.

Transaction Security means the Security created or evidenced or expressed to be created or evidenced under the Security Documents.

1.2 Construction

1.2.1 Capitalised terms defined in the Facilities Agreement have the same meaning in this Deed unless expressly defined in this Deed.

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

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

(a) a Finance Document or Transaction Document or any other agreement or instrument is a reference to that Finance Document or Transaction Document or other agreement 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;

(c) any share, stock, debenture, bond or other security or investment includes:

(i) any dividend, interest or other distribution paid or payable;
(ii) 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

(d) the term this Security means any Security created by this Deed.

1.2.4 Each of the mortgages, fixed charges and assignments contained in Clauses 2.2 (Land) to 2.9 (Miscellaneous) (inclusive) over each category of assets and each asset specified in those Clauses shall be read and construed separately, as though each such category and asset were mortgaged, charged or assigned (as applicable) independently and separately of each other.

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

1.2.6 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.

1.2.7 If the Security Agent 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.

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

1.2.9 The liabilities of the Chargors under this Debenture are joint and several.

1.3 Third party rights

1.3.1 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.
1.3.2 Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under this Deed at any time.

1.3.3 Any Receiver, any Secured Party or any person described in Clause 10.4 (Protection of third parties) may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to Clause 1.3.2 above and the provisions of the Third Parties Act.

2 Creation of Security

2.1 General

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

2.1.2 The total amount recoverable by the Security Agent and the other Secured Parties from the Chargors under this Deed shall be limited to:

(a) the amount realised or recovered from the Security Assets pursuant to this Deed; plus

(b) all costs, expenses, interest and other amounts payable by the Chargors under this Deed.

2.1.3 All the Security created under this Deed:

(a) is created in favour of the Security Agent;

(b) is created over present and future assets of the Chargors;

(c) is security for the payment and discharge of all the Secured Liabilities; and

(d) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

2.1.4 The Security Agent holds the benefit of this Deed and this Security on trust for the Secured Parties.

2.2 Land

2.2.1 Each Chargor charges:

(a) by way of a first legal mortgage all estates or interests in any Land now owned by it, which includes the real property specified in Schedule 2 (Real Property); and

(b) (to the extent that they are not the subject of a mortgage under paragraph (a) above) by way of a first fixed charge all estates or interests in any Land now or subsequently owned by it,

other than the land referred to as Ground Floor Shop Premises, 37 Tavistock Place, London WC1H 9SE, England registered at the Land Registry with leasehold title number NGL958768.
2.3 Investments

2.3.1 Each Chargor:

(a) mortgages all shares in any member of the Group (other than itself) owned by it or
held by any nominee or trustee on its behalf; and

(b) to the extent that they are not the subject of a mortgage under paragraph (a) above,
charges by way of a first fixed charge its interest in all its Investments.

2.3.2 Clause 2.3.1 does not apply to shares or Investments:

(a) that are foreign law governed or situated and are subject to Transaction Security
under a separate Security Document; and

(b) in Generator Hostels Inc..

2.4 Plant and machinery

To the extent that they are not the subject of a mortgage or a first fixed charge under
Clause 2.2 (Land), each Chargor charges by way of a first fixed charge all plant and
machinery, owned by that Chargor and its interest in any plant or machinery in its possession,
together with the benefit of all related Authorisations, agreements and warranties.

2.5 Book debts etc.

Each Chargor charges by way of a first fixed charge:

(a) all of its book and other debts;

(b) all other moneys due and owing to it; and

(c) the benefit of all rights in relation to any item under paragraphs (a) to (b) above.

2.6 Insurances

2.6.1 Each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of
its rights under each Insurance.

2.6.2 To the extent that they have not been effectively assigned under Clause 2.6.1 above, each
Chargor charges by way of first fixed charge its rights under each insurance.

2.7 Collateral Warranties

Each Chargor charges by way of fixed charge all its rights under any Collateral Warranties.

2.8 Other contracts

2.8.1 Each Chargor:

(a) assigns absolutely, subject to a proviso for re-assignment on redemption, all of its
rights:
(i) under each Hostel Material Document (other than the Booking.com Agreement);

(ii) under each Lease Document;

(iii) in respect of all Revenue;

(iv) under any guarantee of Revenue contained in or relating to any Lease Document;

(v) under each Relevant Contract; and

(vi) under any document, agreement or instrument to which it and any nominee or trustee is party in respect of an Investment; and

(b) charges by way of a first fixed charge all of its rights under the Booking.com Agreement and 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.

2.8.2 To the extent that they have not been effectively assigned under paragraph (a) of Clause 2.8.1 above, each Chargor charges by way of a first fixed charge all of its rights listed under paragraph (a) of Clause 2.8.1 above.

2.9 Miscellaneous

Each Chargor charges by way of first fixed charge:

(a) its goodwill;

(b) its Intellectual Property;

(c) the benefit of any Authorisation (statutory or otherwise) held in connection with its use of any Security Asset;

(d) the right to recover and receive compensation which may be payable to it in respect of any Authorisation referred to in paragraph (c) above;

(e) its uncalled capital; and

(f) the benefit of all rights in relation to any item under paragraphs (a) to (e) above.

2.10 Floating charge

2.10.1 Each Chargor charges by way of a first floating charge all its assets not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, fixed charge or assignment under this Clause 2.

2.10.2 Except as provided below, the Security Agent may by notice to the Chargors convert the floating charge created by this Clause 2.10 (Floating charge) into a fixed charge as regards any of the Chargors’ assets specified in that notice if:

(a) an Event of Default is continuing; or
(b) the Security Agent (acting reasonably) considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

2.10.3 The floating charge created by this Clause 2.10 (Floating charge) may not be converted into a fixed charge solely by reason of:

(a) the obtaining of a moratorium; or

(b) anything done with a view to obtaining a moratorium,

under section 1A of the Insolvency Act 1986.

2.10.4 The floating charge created by this Clause 2.10 (Floating charge) will (in addition to the circumstances when this may occur under the general law) automatically convert into a fixed charge over all of the Chargors’ assets if:

(a) an administrator is appointed or the Security Agent receives notice of an intention to appoint an administrator;

(b) if any steps are taken, (including the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of a Chargor over all or any part of its assets, or if such person is appointed;

(c) if a Chargor creates or attempts to create Security over all or any of the Security Assets, other than as permitted under the Facilities Agreement;

(d) on the crystallisation of any other floating charge over the Security Assets; and

(e) if any person seizes, attaches, charges, takes possession of or sells any Security Asset under any form of distress, sequestration, execution or other process, or attempts to do so.

2.10.5 The floating charge created by this Clause 2.10 (Floating charge) is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

2.11 Trust

2.11.1 If or to the extent that the assignment or charging of any Security Asset is ineffective because of a prohibition on that assignment or charging, the relevant Chargor holds it on trust for the Security Agent.

2.11.2 If the prohibition referred to in Clause 2.11.1 is due to the fact a consent or waiver must be obtained or a condition must be satisfied, then the relevant Chargor must seek the consent or waiver or satisfy the condition in accordance with Clause 2.1.3(a) of this Deed.

2.11.3 On the waiver or consent being obtained, or the condition being satisfied, the Security Asset shall be mortgaged, charged or assigned (as appropriate) under this Clause and, in relation to such Security Asset, the trust referred to in Clause 2.11.1 shall terminate.
3 Restrictions on Dealings

3.1 Security

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

3.2 Disposals

Except as expressly allowed under the Facilities Agreement or this Deed, a Chargor must not enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer, loan, or otherwise dispose of all or any part of any Security Asset, or enter into an agreement to make any such disposal.

4 Land

4.1 Acquisitions

If a Chargor acquires any Land in England and Wales in accordance with the Facilities Agreement after the date of this Deed it must:

(a) notify the Security Agent promptly;

(b) promptly on request by the Security Agent and at the cost of the Chargors, execute and deliver to the Security Agent a legal mortgage over that Land in favour of the Security Agent in any form which the Security Agent may require; and

(c)

(i) if the title to that Land is registered at the Land Registry or required to be so registered, give the Land Registry written notice of this Security; and

(ii) if applicable, ensure that this Security is correctly noted against that title in the title register at the Land Registry.

4.2 Registration at Companies House

Each Chargor consents to the registration of this Deed at Companies House pursuant to Part 25 of the Companies Act 2006

4.3 Land Registry

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

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated ** in favour of Societe Generale, London Branch referred to in the charges register or their conveyancer. (Standard Form P)".

4.3.2 Each Chargor consents to the registration of a notice against the Register of Title relating to any Mortgaged Property registered at the Land Registry that the Lenders are under an obligation to make further advances on the terms and subject to the conditions of the Finance Documents.
4.4 Deposit of title deeds

Each Chargor must immediately:

(a) deposit with the Security Agent all deeds and documents necessary to show good and marketable title to any property referred to in Clause 4.1 (Acquisitions) (the Title Documents);

(b) procure that the Title Documents are held at the applicable Land Registry to the order of the Security Agent; or

(c) procure that the Title Documents are held to the order of the Agent by a firm of solicitors approved by the Security Agent for that purpose.

5 Investments

5.1 Deposit

5.1.1 Each Chargor must immediately:

(a) deposit with the Security Agent, or as the Security Agent may direct, all certificates and other documents of title or evidence of ownership in relation to its Investments; and

(b) execute and deliver to the Security Agent all share transfers and other documents which may be requested by the Security Agent in order to enable the Security Agent or its nominees to be registered as the owner of or otherwise obtain a legal title to its Investments.

5.1.2 Clause 5.1.1 does not apply to Investments in Generator Hostels Inc.

5.2 Calls

5.2.1 Each Chargor must pay all calls or other payments due and payable in respect of any of its Investments in accordance with the Facilities Agreement.

5.2.2 If a Chargor fails to do so, the Security Agent may pay the calls or other payments in respect of any of its Investments on behalf of a Chargor. Each Chargor must promptly on request reimburse the Security Agent for any payment made by the Security Agent under this Clause 5.2 (Calls).

5.3 Other obligations in respect of Investments

5.3.1 Each Chargor must:

(a) promptly send a copy to the Security Agent of;

(b) comply with all requests for,

information which:

(i) is within its knowledge; and
(ii) 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 so that there is not a material adverse effect on the validity or enforceability of, or the effectiveness or ranking of any Security granted or purported to be granted pursuant to, this Deed. If it fails to do so, the Security Agent may elect to provide such information as it may have on behalf of a Chargor.

5.3.2 Each Chargor must comply with all other conditions and obligations assumed by it in respect of any of its Investments so that the validity or enforceability of, or the effectiveness or ranking of any Security granted or purported to be granted pursuant to, this Deed, is not affected or prejudiced.

5.3.3 The Security Agent is not obliged to:

(a) perform any obligation of any Chargor;

(b) make any payment;

(c) make any enquiry as to the nature or sufficiency of any payment received by it or any Chargor; or

(d) 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.

5.4 Voting rights

5.4.1 Until such time as the Security Agent makes a demand under Clause 5.4.2:

(a) the voting rights, powers and other rights in respect of its Investments will be exercised by the Chargors; and

(b) all dividends, distributions or other income paid or payable in relation to any of its Investments in accordance with the Facilities Agreement must be paid into its General Account.

5.4.2 After the Security Agent so demands following the occurrence of an Event of Default that is continuing and where notice has been given pursuant to clause 24.18 (Acceleration) of the Facilities Agreement, the Security Agent may exercise (in the name of the relevant Chargor and without any further consent or authority on the part of the Chargors) 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.

6 Accounts

6.1 General

In this Clause 6 Account Bank means a person with whom an Account is maintained under the Facilities Agreement.
6.2 Book debts and receipts

6.2.1 Each Chargor must get in and realise its:

(a) Revenue and any other amounts due from occupiers of the Mortgaged Property; and

(b) book and other debts and other moneys due and owing to it,

in the ordinary course of its business and hold the proceeds of the getting in and realisation (until payment into an Account if required in accordance with Clause 6.2.2 below) on trust for the Security Agent.

6.2.2 Each Chargor must, except to the extent that the Security Agent otherwise agrees, pay all the proceeds of the getting in and realisation into an Account in accordance with the Facilities Agreement.

6.3 Notices of charge

Each Chargor must:

(a) promptly serve a notice of charge, substantially in the form of Part 1 of Schedule 3 (Forms of Letter for Account Bank), on each Account Bank, and deliver to the Security Agent a copy of that notice; and

(b) use reasonable endeavours to ensure that each Account Bank referred to in paragraph (a) acknowledges the notice served on it under paragraph (a) of this Clause, substantially in the form of Part 2 of Schedule 3 (Forms of Letter for Account Bank);

7 Insurances

Each Chargor shall:

(a) promptly after the execution of this Deed or (as the case may be) promptly after the execution of any Insurances entered into after the date of this Deed, give notice to the counterparties to the Insurances of the assignment created under Clause 2.8 (Insurances), each such notice to be in the form set out in Part 1 of Schedule 4 (Forms of Letter for Insurances) (or other form approved by the Security Agent) and deliver to the Security Agent a certified copy of each notice;

(b) use all reasonable endeavours to procure that each party served with a notice under paragraph (a) of this Clause countersigns and returns it to the Security Agent as set out in Part 2 of Schedule 4 (Forms of Letter for Insurances) as applicable (or in any other form approved by the Security Agent).

8 Other Contracts

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

(a) immediately serve a notice of assignment or charge (as applicable), substantially in the form of Part 1 of Schedule 5 (Forms of Letter for Other Contracts), on each counterparty to a contract listed in Clause 2.8 (Other contracts) and deliver to the Security Agent a certified copy of each notice; and
(b) use reasonable endeavours to ensure that each such party acknowledges that notice, substantially in the form of Part 2 of Schedule 5 (Forms of Letter for Other Contracts).

9 When Security Becomes Enforceable

9.1 Event of Default

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

9.2 Discretion

After this Security has become enforceable and following notice from the Agent having been given to the Borrowers in respect of Clause 24.18 (Acceleration) of the Facilities Agreement, 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 Facilities Agreement.

9.3 Statutory powers

The power of sale and other powers conferred by section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

10 Enforcement of Security

10.1 General

10.1.1 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.

10.1.2 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.

10.1.3 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.

10.2 No liability as mortgagee in possession

Neither the Security Agent nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

10.3 Privileges

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.

10.4 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:
whether the Secured Liabilities have become payable;

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

(c) whether any money remains due under the Finance Documents; or

(d) how any money paid to the Security Agent or to that Receiver is to be applied.

10.5 Redemption of prior mortgages

10.5.1 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.

10.5.2 The Chargors 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.

10.6 Contingencies

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

10.7 Financial collateral

10.7.1 To the extent that the Security Assets constitute “financial collateral” and this Deed and the obligations of the Chargors 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 pursuant to Clause 9.1 (Event of Default) to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.

10.7.2 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 Finance Party will give credit for the proportion of the value of the financial collateral appropriated to its use.
10.8 Preservation of Security

10.8.1 Reinstatement

If any payment by a Chargor or discharge given by the Security Agent (whether in respect of the obligations of any Transaction Obligor or any Security for those obligations or otherwise) is avoided or reduced as a result of insolvency, liquidation, administration or any similar event:

(a) the liabilities of the Chargors and the Security created by this Deed shall continue as if the payment, discharge, avoidance or reduction had not occurred; and

(b) the Secured Parties shall be entitled to recover the value or amount of that Security or payment from the Chargors, as if the payment, discharge, avoidance or reduction had not occurred.

10.8.2 Waiver of defences

Neither the Security created by this Deed nor the obligations of the Chargors under this Deed will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice that Security or any of those obligations (whether or not known to it, the Security Agent or any other Secured Party) including:

(a) any time, waiver or consent granted to, or composition with, any Transaction Obligor or other person;

(b) the release of any Transaction Obligor or any other person under the terms of any composition or arrangement with any person;

(c) the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over, assets of any Transaction Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Transaction Obligor or any other person;

(e) any amendment (however fundamental), replacement, variation, novation, assignment or the avoidance or termination of a Finance Document or any other document or Security;

(f) any unenforceability, illegality or invalidity of any obligation of, or any Security created by, any person under any Finance Document or any other document; or

(g) any insolvency, liquidation, administration or similar procedure.

10.8.3 Chargor intent

Without prejudice to the generality of Clause 10.8.2 (Waiver of defences), each Chargor expressly confirms that it intends that the Security created by this Deed 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:
(a) acquisitions of any nature;
(b) increasing working capital;
(c) enabling investor distributions to be made;
(d) carrying out restructurings;
(e) refinancing existing facilities;
(f) refinancing any other indebtedness;
(g) making facilities available to new borrowers;
(h) any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and
(i) any fees, costs and/or expenses associated with any of the foregoing.

10.8.4 Immediate recourse

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

10.8.5 Appropriations

During the Security Period each Secured Party may:

(a) refrain from applying or enforcing any moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Liabilities, or, subject to Clause 13 (Application of Proceeds), apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and no Chargor shall not be entitled to the benefit of the same; and

(b) hold in an interest-bearing suspense account any moneys received from a Chargor or on account of the Secured Liabilities.

10.8.6 Deferral of Chargors’ rights

During the Security Period and unless the Security Agent otherwise directs, each Chargor shall not exercise any rights which it may have by reason of performance by it of its obligations under this Deed or the enforcement of the Security created by this Deed:

(a) to receive or claim payment from, or be indemnified by a Transaction Obligor;

(b) to claim any contribution from any guarantor of, or provider of Security in respect of, any Transaction Obligor’s obligations under the Finance Documents;

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of 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;
to exercise any right of set-off against any Transaction Obligor; and/or

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

10.8.7 Additional Security

This Deed is in addition to, is not in any way prejudiced by and shall not merge with any
contractual right or remedy or other Security now or in the future held by or available to any
Finance Party.

11 Receiver

11.1 Appointment of Receiver

11.1.1 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 and following notice from the Agent having
been given to the Borrowers in respect of Clause 24.18 (Acceleration) of the Facilities
Agreement; or

(b) the relevant Chargor so requests to the Security Agent at any time.

11.1.2 Any appointment under Clause 11.1.1 above may be by deed, under seal or in writing under
its hand.

11.1.3 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.

11.1.4 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.

11.1.5 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.

11.2 Removal

The Security Agent may by writing under its hand (subject to any requirement for an order of
the court in the case of an administrative receiver) remove any Receiver appointed by it and
may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose
appointment may for any reason have terminated.

11.3 Remuneration

The Security Agent may fix the remuneration of any Receiver appointed by it and the
maximum rate specified in section 109(6) of the Act will not apply.
11.4 Agent of the Chargors

11.4.1 A Receiver will be deemed to be the agent of the relevant 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 relevant Chargor(s) alone are responsible for any contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.

11.4.2 No Secured Party will incur any liability (either to a Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

11.5 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.

12 Powers of Receiver

12.1 General

12.1.1 A Receiver has all of the rights, powers and discretions set out below in this Clause 12 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.

12.1.2 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.

12.2 Possession

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

12.3 Carry on business

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

12.4 Employees

12.4.1 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.

12.4.2 A Receiver may discharge any person appointed by a Chargor.
12.5 **Borrow money**

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

12.6 **Sale of assets**

12.6.1 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.

12.6.2 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.

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

12.7 **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).

12.8 **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 a Chargor or relating in any way to any Security Asset.

12.9 **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.

12.10 **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.

12.11 **Subsidiaries**

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

12.12 **Delegation**

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

12.13 **Lending**

A Receiver may lend money or advance credit to any person.
12.14 Protection of assets

A Receiver may:

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

(b) commence and/or complete any building operation; and

(c) apply for and maintain any planning permission, building regulation approval or any other Authorisation,

in each case as he/she thinks fit.

12.15 Other powers

A Receiver may:

(a) 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;

(b) 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

(c) use the name of any Chargor for any of the above purposes.

13 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 Facilities Agreement. This Clause 13:

(a) is subject to the payment of any claims having priority over this Security; and

(b) does not prejudice the right of any Secured Party to recover any shortfall from any Chargor.

14 Delegation

14.1 Power of Attorney

The Security Agent or any Receiver may, at any time, delegate by power of attorney or otherwise to any person for any period all or any right, power, authority or discretion exercisable by it under this Deed.

14.2 Terms

Any such delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Agent or that Receiver (as the case may be) may, in its discretion, think fit in the interests of the 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, at its own expense, take whatever action the Security Agent or a Receiver may require for:

(a) creating, perfecting or protecting any security over any Security Asset; or

(b) following the occurrence of an Event of Default that is continuing and where notice has been given pursuant to clause 24.18 (Acceleration) of the Facilities Agreement, 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 above includes:

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

(b) the giving of any notice, order or direction and the making of any filing or registration; or

(c) while any Event of Default is continuing, assigning any Collateral Warranty capable of assignment to any person nominated by the Security Agent or any Receiver,

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

16 Power of Attorney

Each Chargor irrevocably and by way of security appoints each of:

(a) the Security Agent;

(b) any Receiver; and

(c) any delegate or sub-delegate of, or other person nominated in writing by, an officer of the Security Agent,

jointly and severally to be its attorney with the full power and authority of each 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 following the occurrence of an Event of Default that is continuing or which may be required or which any attorney may in its absolute discretion deem necessary for carrying out any obligation of any 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. Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 16.
17 Miscellaneous

17.1 Continuing Security

This Security is a continuing security and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.

17.2 Tacking

The Security Agent confirms on behalf of the Lenders (without any personal liability) that each Lender will perform its obligations under the Facilities Agreement (including any obligation to make any further advances).

17.3 New Accounts

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

17.3.2 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.

17.3.3 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.

17.4 Time deposits

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

(a) this Security has become enforceable; and

(b) no Secured Liability is due and payable,

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

17.5 Notice to Chargors

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

18 Release

At the end of the Security Period, unless any third party has any subrogation or other rights in respect of the Security created by this Deed at that time (Third Party Rights) and such third party has a valid claim in respect of such Third Party Rights, the Finance Parties must, at the request and cost of a Chargor, take whatever action is necessary to release its Security Calculations and certificates.
19 Notices

19.1 Communications in writing

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.

19.2 Addresses

19.2.1 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 below or any substitute address, fax number or department or officer as either party may notify to the other by not less than five Business Days' notice.

19.2.2 The addresses referred to in Clause 19.2.1 are:

(a) The Chargers:

MacNaughton House
Compton Place
London
United Kingdom
WC1H 9SD

Attention: Paul Slimming
Email: PS@generatorhostels.com

(b) The Security Agent:

41 Tower Hill
London
EC3N 4SG
United Kingdom

Attention: Cheryl Lawrence
Email: cheryl.lawrence@sgcib.com / notices-london@sgcib.com

19.3 Delivery

19.3.1 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:

(i) when it has been left at the relevant address; or
(ii) two Business Days (or, in the case of airmail, five Business Days) after being deposited in the post postage prepaid (or, as the case may be, airmail 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 19.2 (Addresses), if addressed to that department or officer.

19.3.2 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 in Clause 19.2.2 (or any substitute department or officer as the Security Agent shall specify for this purpose).

19.4 English language

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

19.4.2 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 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.

20 Calculations and certificates

20.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Security Agent or any other Secured Party are prima facie evidence of the matters to which they relate.

20.2 Certificates and determinations

Any certification or determination by the Security Agent or any other Finance Party of a rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

21 Partial invalidity

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

22 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of the Security Agent, any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.
Amendments and waivers

Any term of this Deed may be amended or waived only with the written consent of the Chargers and the Security Agent.

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.

Governing law and enforcement

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

Jurisdiction

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) (a Dispute).

The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

Notwithstanding Clause 25.1.1, no Finance Party or 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 Finance Parties and Secured Parties may take concurrent proceedings in any number of jurisdictions.

THIS DEED has been executed and delivered as a deed on the date stated at the beginning of this Deed.
## Schedule 1 – Chargors

<table>
<thead>
<tr>
<th>Company name</th>
<th>Jurisdiction</th>
<th>Registration number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Queensgate Generator Holding Limited</td>
<td>England and Wales</td>
<td>06310592</td>
</tr>
<tr>
<td>Queensgate Generator Properties Limited</td>
<td>England and Wales</td>
<td>06310563</td>
</tr>
<tr>
<td>Generator Hostel London Limited</td>
<td>England and Wales</td>
<td>02799205</td>
</tr>
<tr>
<td>Generator Hostels Limited</td>
<td>England and Wales</td>
<td>03192617</td>
</tr>
</tbody>
</table>
Schedule 2 – Real Property

the property known as Generator Hotel, Macnaghten House, Compton Place, London WC1H 9SD, England registered at the Land Registry with freehold title number NGL718590, held by Generator Hostel London Limited
Schedule 3 – Forms of Letter for Account Bank

Part 1 – Notice to Account Bank

To: **

Copy: Societe Generale, London Branch (as Security Agent as defined below)

[Date]

Dear Sirs,

Security Agreement dated ** between Queensgate Generator Holding Limited, Queensgate Generator Properties Limited, Generator Hostel London Limited, Generator Hostels Limited and Societe Generale, London Branch (the Security Agreement)

1 We refer to the following accounts which we hold with you:

<table>
<thead>
<tr>
<th>Chancer</th>
<th>Account name</th>
<th>Sort Code</th>
<th>Account number</th>
</tr>
</thead>
<tbody>
<tr>
<td>**</td>
<td></td>
<td></td>
<td>**</td>
</tr>
</tbody>
</table>

(totally the Accounts).

2 This letter constitutes notice to you that under the Security Agreement we have charged by way of floating charge in favour of the Security Agent all our rights in respect of the Accounts and any amount standing to the credit of an Account.

3 In respect of the Accounts, we are permitted to withdraw any amount from the Accounts until you receive a notice following an Event of Default that is continuing from the Security Agent to the contrary stating that an Event of Default is continuing and we are no longer permitted to withdraw any amount from an Account without its consent. If and from the date on which you receive any such notice:

- we will not be permitted to withdraw any amount from the relevant Account without the prior written consent of the Security Agent;
- we irrevocably authorise and instruct you to:
  - (i) comply with the terms of any written notice or instruction relating to that Account received by you from the Security Agent;
  - (ii) hold all sums standing to the credit of that Account to the order of the Security Agent; and
  - (iii) pay or release any sum standing to the credit of that Account in accordance with the written instructions of the Security Agent.

We acknowledge that you may comply with the instructions in this letter without any further permission from us.
The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

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

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Agent at Societe Generale, London Branch, 41 Tower Hill, London EC3N 4SG (Attention: Cheryl Lawrence) with a copy to us.

Yours faithfully,

............................................................................
For and on behalf of Queensgate Generator Holding Limited

............................................................................
For and on behalf of Queensgate Generator Properties Limited

............................................................................
For and on behalf of Generator Hostel London Limited

............................................................................
For and on behalf of Generator Hostels Limited
Part 2 – Acknowledgement of Account Bank

To: Societe Generale, London Branch (as Security Agent)
Copy: Queensgate Generator Holding Limited, Queensgate Generator Properties Limited, Generator Hostel London Limited and Generator Hostels Limited

[Date]

Dear Sirs,

Security Agreement dated ** between Queensgate Generator Holding Limited, Queensgate Generator Properties Limited, Generator Hostel London Limited, Generator Hostels Limited (the Chargors) and Societe Generale, London Branch (the Security Agreement)

We confirm receipt from Queensgate Generator Holding Limited, Queensgate Generator Properties Limited, Generator Hostel London Limited and Generator Hostels Limited (the Chargors) of a notice dated ** (the Notice) of a charge upon the terms of the Security Agreement over all the rights of the Chargors to any amount standing to the credit of any of the Chargors’ Accounts (as defined in the Notice).

We confirm that we:

(a) accept the instructions contained in the Notice and agree to comply with the Notice;

(b) have not received notice of any prior security over, or the interest of any third party in, any Account;

(c) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of any Account; and

(d) will comply with any notice we may receive from the Security Agent in respect of the Accounts.

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

Yours faithfully,

[Signature]

for and on behalf of **
Schedule 4 – Forms of Letter for Insurers

Part 1 – Notice to Insurer

To: [Insurer]

Copy: Societe Generale, London Branch (as Security Agent as defined below)

[Date]

Dear Sirs,

Security Agreement dated ** between Queensgate Generator Holding Limited, Queensgate Generator Properties Limited, Generator Hostel London Limited, Generator Hostels Limited and Societe Generale, London Branch (the Security Agreement)

This letter constitutes notice to you that under the Security Agreement we have assigned absolutely (by way of security), to Societe Generale, London Branch (as trustee for the Secured Parties as referred to in the Security Agreement, the Security Agent) all our rights in respect of [insert details of contract of insurance] (the Insurance).

We confirm that:

(a) we will remain liable under the Insurance to perform all the obligations assumed by us under the Insurance; and

(b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Insurance (unless, and to the extent, otherwise expressly provided for in the Insurance).

We will also remain entitled to exercise all our rights, powers and discretions under the Insurance, and you should continue to give notices and make payments under the Insurance to us (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Security Agent in respect of the Insurance), unless and until you receive notice following an Event of Default that is continuing from the Security Agent to the contrary stating that an Event of Default is continuing and 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 Agent or as it directs (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Security Agent in respect of the Insurance).

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

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

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Agent at Societe Generale, London Branch, 41 Tower Hill, London EC3N 4SG (Attention: Cheryl Lawrence) with a copy to us.
Yours faithfully,

-------------------------------------
(Authorised Signatory)
[Chargor]
Part 2 – Acknowledgement of Insurer

To: Societe Generale, London Branch (as Security Agent)

Copy: Queensgate Generator Holding Limited, Queensgate Generator Properties Limited,
Generator Hostel London Limited and Generator Hostels Limited

[Date]

Dear Sirs,

Security Agreement dated ** between Queensgate Generator Holding Limited,
Queensgate Generator Properties Limited, Generator Hostel London Limited, Generator
Hostels Limited (the Chargors) and Societe Generale, London Branch (the Security
Agreement)

We confirm receipt from [Chargor] (the Chargor) of a notice dated ** (the Notice) of an
assignment on the terms of the Security Agreement of all the Chargor’s rights in respect of [insert
details of the contract of insurance] (the Insurance).

We confirm that we:

(a) accept the instructions contained in the Notice and agree to comply with the Notice;
and

(b) will give notices and make payments under the Insurance 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)
[Insurer]
Schedule 5 – Forms of Letter for Other Contracts

Part 1 – Notice to Counterparty

To: [Contract Counterparty]

Copy: Societe Generale, London Branch (as Security Agent as defined below)

[Date]

Dear Sirs,

Security Agreement dated ** between Queensgate Generator Holding Limited, Queensgate Generator Properties Limited, Generator Hostel London Limited, Generator Hostels Limited and Societe Generale, London Branch (the Security Agreement)

This letter constitutes notice to you that under the Security Agreement we have [assigned (by way of security) / charged by way of a first fixed charge)] to Societe Generale, London Branch (as trustee for the Secured Parties as referred to in the Security Agreement, the Security Agent) all our rights in respect of [Insert details of contract] (the Contract).

We confirm that:

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

(b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.

We will also remain entitled to exercise all our rights, powers and discretions under the Contract, and you should continue to give notices and make payments under the Contract to us, unless and until you receive notice from the Security Agent to the contrary stating that the security under the Security Agreement has become enforceable following an Event of Default that is continuing. 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 Agent or as it directs.

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

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

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Agent at Societe Generale, London Branch, 41 Tower Hill, London EC3N 4SG (Attention: Cheryl Lawrence) with a copy to us.

Yours faithfully,

---

1 Delete as applicable.
(Authorised signatory)
[Charger]
Part 2 – Acknowledgement of Counterparty

To: Societe Generale, London Branch (as Security Agent)

Copy: [Chargor]

[Date]

Dear Sirs,

Security Agreement dated ** between Queensgate Generator Holding Limited, Queensgate Generator Properties Limited, Generator Hostel London Limited, Generator Hostels Limited and Societe Generale, London Branch (the Security Agreement)

We confirm receipt from [Chargor] (the Chargor) of a notice dated ** (the Notice) of [an assignment] [fixed charge]** 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:

(a) accept the instructions contained in the Notice and agree to comply with the Notice; and

(b) 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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2 Delete as applicable.
EXECUTION VERSION

Signatories

Executed as a deed by
Queensgate Generator Holding Limited
acting by a director in the presence of:

Signature of witness:

Name of witness: CHARLES J. HENDERSON

Address: 8 CLIFFORD STREET
LONDON W1J 2LQ

Executed as a deed by
Queensgate Generator Properties Limited
acting by a director in the presence of:

Signature of witness:

Name of witness: CHARLES J. HENDERSON

Address: 8 CLIFFORD STREET
LONDON W1J 2LQ

Executed as a deed by
Generator Hostel London Limited
acting by a director in the presence of:

Signature of witness:

Name of witness: CHARLES J. HENDERSON

Address: 8 CLIFFORD STREET
LONDON W1J 2LQ
EXECUTION VERSION

Executed as a deed by Generator Hostels Limited acting by a director in the presence of:

Signature of witness: 

Name of witness: CHARLES J. HENDERSON

Address 8, CLIFFORD STREET, LONDON, W1B 2LR

Signed for and on behalf of Socite Generale, London Branch

JRO/SM/058304.00006/48172322.14 Page 38
**Executed** as a deed by
**Generator Hostels Limited** acting by a director in the presence of:

Signature of witness:

Name of witness:

Address

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**Signed** for and on behalf of
**Societe Generale, London Branch**

) PAULINE GATBERT