Company name: TRAVEL JOY HOSTELS LIMITED
Company number: 06877687

Received for Electronic Filing: 22/12/2017

Details of Charge

Date of creation: 14/12/2017
Charge code: 0687 7687 0007
Persons entitled: CENTURION DEVELOPERS LIMITED
Brief description: THE FREEHOLD PROPERTY KNOWN AS 111 GROSVENOR ROAD, LONDON SW1V 3LG REGISTERED UNDER TITLE NO. LN22360

Contains fixed charge(s).
Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: AJAY CHAINRAI
CERTIFICATE OF THE
REGISTRATION OF A CHARGE

Company number: 6877687

Charge code: 0687 7687 0007

The Registrar of Companies for England and Wales hereby certifies
that a charge dated 14th December 2017 and created by TRAVEL JOY
HOSTELS 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.
VENUS GULF INTERNATIONAL LIMITED

and

TRAVEL JOY HOSTELS LIMITED

and

CENTURION DEVELOPERS LIMITED

FIRST LEGAL CHARGE
THIS DEED is dated 14 December 2017

PARTIES

Parties

(1) VENUS GULF INTERNATIONAL LIMITED incorporated and registered in England & Wales with company number 10988666 whose registered office is at 134 Buckingham Palace Road London SW1W 9SA (Borrower).

(2) CENTURION DEVELOPERS LIMITED incorporated and registered in England and Wales with company number 10975119 whose registered office is 23/24 Margaret Street, Fitzrovia, United Kingdom, W1V 8RU (Lender)

(3) TRAVEL JOY HOSTELS LIMITED incorporated and registered in England and Wales with company number 06877687 whose registered address is King William IV Bar 111 Grosvenor Road Pimlico London SW1V 3LG (Guarantor and Chargor)

BACKGROUND

(A) The Lender has agreed, under the Facility Agreement, to provide the Borrower with the Loan on a secured basis
(B) The Chargor owns the Property.

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 Terms defined in the Facility Agreement shall, unless otherwise defined in this deed, have the same meaning in this deed. In addition, the following definitions apply in this deed.

Borrower: Venus Gulf International Limited

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

Default Interest Rate: 3% per Month

Certificate of Title: any report on or certificate of title relating to the Property supplied to the Lender by the Borrower and Chargor (or on their behalf).

Chargor: Travel Joy Hostels Limited

Charged Property: all the assets, property and undertaking for the time being subject to any Security created by this deed (and references to the Charged Property shall include references to any part of it).
Delegate: any person appointed by the Lender or any Receiver under clause 15 and any person appointed as attorney of the Lender, Receiver or Delegate.

Environment: the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.

Environmental Law: all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.

Environmental Licence: any authorisation, permit or licence necessary under Environmental Law in respect of any of the Charged Property.

Event of Default: has the meaning given to that expression in the Facility Agreement.

Facility Agreement: the facility agreement dated the same as this agreement between (1) the Borrower and (2) the Lender for the provision of the loan facilities secured by this deed and all other existing and/or future agreements, deeds or documents, as amended from time to time, by or in relation to which the Borrower has agreed, or does in future agree, in writing are to be secured on the Charged Property.

Insurance Policy: each contract or policy of insurance effected or maintained by the Chargor from time to time in respect of the Property.


Property: the freehold property owned by the Chargor known as 111 Grosvenor Road London SW1V 3LG registered under Title No. LN22380

Receiver: a receiver or a receiver and manager of any or all of the Charged Property.

Rent: all amounts payable to or for the benefit of the Chargor by way of rent, licence fee, service charge, dilapidations, ground rent and rent charge in respect of any part of the Property and other monies payable to or for the benefit of the Chargor in respect of occupation or usage of any part of the Property, including (without limitation) for display of advertisements on licence or otherwise.

Rent Account: any account set up by the Chargor whether before or after the date of this agreement into which Rent is paid, or such other account as may
be specified by the Lender in writing.

**Secured Liabilities:** all present and future monies, obligations and liabilities of the Borrower and Chargor to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the Facility Agreement or this deed (including, without limitation, those arising under clause 27.3(b)) together with all interest (including, without limitation, default interest) accruing in respect of those monies, obligations or liabilities.

**Security:** any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

**Security Period:** the period starting on the date of this deed and ending on the date on which the Lender is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

**Valuation:** any valuation relating to the Property supplied to the Lender by the Borrower and Chargor (or on their behalf).

**VAT:** value added tax.

1.2 **In this deed:**

(a) clause headings shall not affect the interpretation of this deed;

(b) a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees;

(c) unless the context otherwise requires, a reference to:

(i) words in the singular shall include the plural and in the plural shall include the singular;

(ii) one gender shall include a reference to the other genders;

(iii) a party shall include that party's successors, permitted assigns and permitted transferees;

(iv) a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;

(v) shall include all subordinate legislation made from time to time.
under that statute or statutory provision;

(vi) a clause is to a clause of this deed; and

(vii) writing or written includes fax and email;

(d) an obligation on a party not to do something includes an obligation not to allow that thing to be done;

(e) a reference to this deed (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time;

(f) any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;

(g) a reference to an amendment includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);

(h) a reference to assets includes present and future properties, undertakings, revenues, rights and benefits of every description;

(i) a reference to an authorisation includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;

(j) a reference to continuing in relation to an Event of Default means an Event of Default that has not been remedied or waived;

(k) a reference to determines or determined means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it;

(l) a reference to a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation; and

(m) where the Borrower and Chargor are more than one person their obligations and liabilities are joint and several.

1.3 If the Lender considers that an amount paid by the Borrower and Chargor in respect of the Secured Liabilities is capable of being avoided or otherwise set
aside on the liquidation or bankruptcy of the Borrower and Chargor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed.

1.4 A reference in this deed to a charge or mortgage of or over the Property includes:

(a) all buildings and fixtures and fittings (including trade and tenant’s fixtures and fittings) and fixed plant and machinery that are situated on or form part of the Property at any time;

(b) the proceeds of the sale of any part of the Property and any other monies paid or payable in respect of or in connection with the Property;

(c) the benefit of any covenants for title given, or entered into, by any predecessor in title of the Borrower and Chargor in respect of the Property and any monies paid or payable in respect of those covenants; and

(d) all rights under any licence, agreement for sale or agreement for lease in respect of the Property.

1.5 For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Facility Agreement and of any side letters between any parties in relation to the Facility Agreement are incorporated into this deed.

1.6 If the rule against perpetuities applies to any trust created by this deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

2. PURPOSE OF LOAN AND COVENANT TO PAY

2.1 The Borrower shall use the Loan only for the purpose of the purchase of the property and the Borrower confirms this is a business wholly or predominately carried out by the Borrower.

2.2 The Borrower and Chargor shall, on demand, pay to the Lender and discharge the Secured Liabilities.

3. GRANT OF SECURITY

3.1 As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower and Chargor with full title guarantee charges to the Lender:

(a) by way of first legal mortgage, the Property; and

(b) by way of first fixed charge:

(i) all their rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection
with each Insurance Policy;

(ii) the Rent and the benefit of any guarantee or security in respect of the Rent to the extent not effectively assigned under clause 3.2;

(iii) the benefit of all other contracts, guarantees, appointments and warranties relating to the Charged Property and other documents to which the Borrower and Chargor are a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of the Charged Property or otherwise relating to the Charged Property (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them);

(iv) all authorisations (statutory or otherwise) held or required in connection with the use of any Charged Property, and all rights in connection with them; and

(v) any monies from time to time standing to the credit of any Rent Account.

3.2 As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower and Chargor with full title guarantee assign to the Lender absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:

(a) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy; and

(b) the Rent and the benefit of any guarantee or security in respect of the Rent;
   provided that nothing in this clause 3.2 shall constitute the Lender as mortgagee in possession.

3.3 If the Chargor’s interest in the Charged Property is less than the whole legal and equitable interest or is in respect of less than the whole of the Charged Property, then without prejudice to any other right or remedy of the Lender, in every such case, this deed shall take effect as a deed of charge upon such interest, whether legal or equitable or partly legal and partly equitable, as the Chargor have in the Charged Property or any part of the Charged Property.

4. PERFECTION OF SECURITY
4.1 The Borrower and Chargor consent to an application being made by the Lender to the Land Registrar for the following restriction in Form P to be registered against its title to the Property:

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated 2017 in favour of CENTURION DEVELOPERS LTD referred to in the charges register."

4.2 The Lender covenants with the Borrower and Chargor that it shall perform its obligations to make advances to the Borrower and Chargor under the Facility Agreement (including any obligation to make available further advances).

4.3 Whether or not title to the Property is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against the Chargor's title to the Property, Chargor shall immediately provide the Lender with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this deed, the Chargor shall immediately, and at their own expense, take such steps as the Lender may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

5. LIABILITY OF THE CHARGOR

5.1 The Borrower and Chargor's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

(a) any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;

(b) the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person;
(c) any intermediate payments, settlement of accounts or discharge in whole or part of the Secured Liabilities; or

(d) any other act or omission that, but for this clause 5.1, might have discharged, or otherwise prejudiced or affected, the liability of the Borrower and Chargor.

5.2 The Borrower and Chargor waive any right it may have to require the Lender to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against the Borrower and Chargor.

6. REPRESENTATIONS AND WARRANTIES

The Borrower and Chargor make the representations and warranties set out in this clause 6 to the Lender on the date of this deed and these are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition:

6.1 The Borrower and Chargor are the legal and beneficial owner of the Charged Property and have good and marketable title to the Property.

6.2 The Charged Property is free from any Security other than the Security created by this deed.

6.3 The Borrower and Chargor have not received, or acknowledged notice of, any adverse claim by any person in respect of the Charged Property or any interest in it.

6.4 There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever that materially and adversely affect the Charged Property.

6.5 There is no breach of any law or regulation that materially and adversely affects the Charged Property.

6.6 No facility necessary for the enjoyment and use of the Charged Property is subject to terms entitling any person to terminate or curtail its use.

6.7 Nothing has arisen, has been created or is subsisting that would be an overriding interest in the Property.

6.8 There is no prohibition on the Borrower and Chargor assigning their rights in any of the Charged Property referred to in clause 3.2 and the entry into of this deed by the Borrower and Chargor does not and will not constitute a breach of any policy, agreement, document, instrument or obligation binding on the Borrower and Chargor or their assets.

6.9 The Borrower and Chargor have, at all times, complied in all respects with all
applicable Environmental Law and Environmental Licences.

6.10 All written information supplied by the Borrower and Chargor or on their behalf for the purpose of each Valuation and Certificate of Title or otherwise provided to the Lender or the Lender’s advisers was true and accurate in all material respects at its date or at the date (if any) on which it was stated to be given.

6.11 The information referred to in clause 6.10 was, at its date or at the date (if any) on which it was stated to be given, complete and the Borrower and Chargor did not omit to supply any information that, if disclosed, would adversely affect the Valuation or Certificate of Title.

6.12 Nothing has occurred since the date the information referred to in clause 6.10 was supplied and the date of this deed which would adversely affect such Valuation or Certificate of Title.

6.13 No Security expressed to be created under this deed is liable to be avoided, or otherwise set aside, on the bankruptcy of the Borrower and Chargor or otherwise.

6.14 This deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Borrower and Chargor and is and will continue to be effective security over all and every part of the Charged Property in accordance with its terms.

7. NEGATIVE PLEDGE AND GENERAL COVENANTS

7.1 The Borrower and Chargor shall not at any time, except with the prior written consent of the Lender:

(a) create, purport to create or permit to subsist any Security on, or in relation to, any Charged Property other than any Security created by this deed;

(b) sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Charged Property; or

(c) create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party.

7.2 The Borrower and Chargor shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Lender or materially diminish the value of any of the Charged Property or the effectiveness of the security created by this deed.

7.3 The Borrower and Chargor shall not, without the Lender’s prior written consent, use or permit the Charged Property to be used in any way contrary to law.
7.4 The Borrower and Chargor shall:

(a) comply with the requirements of any law or regulation relating to or affecting the Charged Property or the use of it or any part of it;

(b) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Charged Property or its use or that are necessary to preserve, maintain or renew any Charged Property; and

(c) promptly effect any maintenance, modifications, alterations or repairs to be effected on or in connection with the Charged Property that are required to be made by it under any law or regulation.

7.5 The Borrower and Chargor shall use their best endeavours to:

(a) procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with the Borrower and Chargor and forming part of the Charged Property of the covenants and other obligations imposed on such counterparty; and

(b) enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Property that the Lender may require from time to time.

7.6 The Borrower and Chargor shall, promptly on becoming aware of any of the same, give the Lender notice in writing of:

(a) any representation or warranty set out in this deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and

(b) any breach of any covenant set out in this deed.

7.7 The Borrower and Chargor shall, on the execution of this deed, deposit with the Lender and the Lender shall, for the duration of this deed, be entitled to hold:

(a) all deeds and documents of title relating to the Charged Property that are in the possession or control of the Borrower and Chargor (and if these are not within the possession and/or control of the Borrower and Chargor, the Borrower and Chargor undertake to obtain possession of all these deeds and documents of title); and

(b) each Insurance Policy.

7.8 The Borrower and Chargor shall immediately on the execution of this deed give notice to the relevant insurers of the assignment of the Borrower and Chargor’ rights and interest in and under each Insurance Policy (including the proceeds of any claims under that Insurance Policy) under clause 3.2(a) and procure that
each addressee of such notice promptly provides an acknowledgement of that notice to the Lender.

7.9 The Borrower and Chargor shall within 3 days of setting up a Rent Account give notice to the bank, financial institution or other person (excluding the Lender) with whom the Borrower and Chargor have the Rent Account of the charging to the Lender of the Borrower and Chargor’ rights and interests in the Rent Account pursuant to clause 3.1(b)(v) and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Lender.

7.10 The Borrower and Chargor shall obtain the Lender’s prior approval of the form of any notice or acknowledgement to be used under clauses 7.8 or 7.9.

7.11 The Borrower and Chargor waives any present or future right of set-off the Borrower and Chargor may have in respect of the Secured Liabilities (including sums payable by the Borrower and Chargor under this deed).

8. PROPERTY COVENANTS

8.1 The Borrower and Chargor shall keep all premises, and fixtures and fittings on the Property, in:

(a) good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use with others of a like nature and equal value; and

(b) such repair and condition as to enable the Property to be let in accordance with all applicable laws and regulations. A law or regulation is applicable if it is either in force or it is expected to come into force and a prudent property owner in the same business as the Borrower and Chargor would ensure that the premises, and fixtures and fittings on the Property, were in such repair and condition in anticipation of that law or regulation coming into force.

8.2 The Borrower and Chargor undertakes to provide the Lender with regular updates (whether requested or not) in relation to the development, planning applications and/or authorisations and otherwise in relation to the development including copies of all relevant permissions, key correspondence and communications and otherwise and to respond in a proper and reasonable manner to all and any queries raised by the Lender and to allow the Lender to enter into the Property with or without its professional advisors to assess the value, condition, stage and state of the development and the Property

8.3 The Borrower and Chargor shall promptly give notice to the Lender if the premises or fixtures or fittings forming part of the Property are destroyed or damaged.
8.4 The Borrower and Chargor shall not, without the prior written consent of the Lender:

(a) make or, in so far as it is able, permit others to make any application for planning permission or development consent in respect of the Property carry out or permit or suffer to be carried out on the Property any development on the Property save for any planning permission issued or applied prior to the date of this document; or

(b) carry out or permit or suffer to be carried out on the Property any development (as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008).

8.5 The Borrower and Chargor shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Charged Property against:

(a) loss or damage by fire or terrorist acts;

(b) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Chargor; and

(c) any other risk, perils and contingencies as the Lender may reasonably require.

8.6 Any such insurance must be with an insurance company or underwriters and on such terms as are reasonably acceptable to the Lender and must be for not less than the replacement value of the relevant Charged Property (as defined by the Lender’s surveyor and meaning in the case of any premises on the Property, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects’, surveyors’, engineers’ and other professional fees and charges for demolition and reinstatement) and where Rent is payable by any occupiers of the Property, for loss of Rent for a period of at least three years.

8.7 The Borrower and Chargor shall, if requested by the Lender, produce to the Lender each policy, certificate or cover note relating to any insurance required by clause 8.5 (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as the Borrower and Chargor is entitled to obtain from the landlord under the terms of the relevant lease).

8.8 The Borrower and Chargor shall procure that a note of the Lender’s interest is endorsed upon each Insurance Policy maintained by it or any person on its behalf in accordance with clause 8.5 and the Lender is named as first loss
payee and that the terms of each such Insurance Policy require the insurer not to invalidate the policy as against the Lender by reason of the act or default of any other joint or named insured and not to cancel it without giving at least 30 days' prior written notice to the Lender.

8.9 The Borrower and Chargor shall:

(a) promptly pay all premiums in respect of each Insurance Policy and do all other things necessary to keep that policy in full force and effect; and

(b) (if the Lender so requires) give to the Lender copies of the receipts for all premiums and other payments necessary for effecting and keeping up each Insurance Policy (or where, in the case of leasehold property, insurance is effected by the landlord, such evidence of the payment of premiums as the Borrower and Chargor is entitled to obtain from the landlord under the terms of the relevant lease).

8.10 The Borrower and Chargor shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any Insurance Policy.

8.11 All monies payable under any Insurance Policy at any time (whether or not the security constituted by this deed has become enforceable) shall:

(a) be paid immediately to the Lender;

(b) if they are not paid directly to the Lender by the insurers, be held, pending such payment, by the Borrower and Chargor as trustee of the same for the benefit of the Lender; and

(c) at the option of the Lender, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities.

8.12 The Borrower and Chargor shall not, without the prior written consent of the Lender (which consent, in the case of clause 8.12(d) only, is not to be unreasonably withheld or delayed in circumstances in which the Borrower and Chargor may not unreasonably withhold or delay its consent):

(a) grant any licence or tenancy affecting the whole or any part of the Property, or exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925 (or agree to grant any such licence or tenancy, or agree to exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925);

(b) in any other way dispose of, accept the surrender of, surrender or
create any legal or equitable estate or interest in the whole or any part of the Property (or agree to dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Property);

(c) let any person into occupation of or share occupation of the whole or any part of the Property; or

(d) grant any consent or licence under any lease or licence affecting the Property.

8.13 The Borrower and Chargor shall not, without the prior written consent of the Lender, enter into any onerous or restrictive obligations affecting the whole or any part of the Property or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of the Property. FOR THE AVOIDANCE OF DOUBT it is acknowledged that the Chargor intends to seek pre-sales of leases (under leasehold titles) for certain units which will form part of the completed development and in such case the Chargor may enter into a contract for such pre-sales subject always to the Chargor undertaking:

(a) to ensure such sales are carried out at market value and on arms length terms;
(b) immediately upon agreeing any contract in relation to the same inform the Lender and provide copies of all agreements in relation to the same and to pay to the Lender;
(c) not to sell any unit at a price of less than £1,300 per square foot;
(d) the price for each unit shall be payable no later than within 3 months of completion of the development of the Property or the relevant unit); and

(e) on exchange of pre-sales contracts the deposit must be held by the Chargor’s solicitors and can only be released to the Chargor with the Lender’s consent. The Lender will have the right to receive such consideration as is being received (directly or indirectly) in relation to such sale of such unit and if required by the Lender to direct to direct any and all such payments to him.

8.14 The Borrower and Chargor shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of the Property, without the prior written consent of the Lender save for Clause 8.13 above.

8.15 The Borrower and Guarantor will not carry out any works development or construction at the Property without providing the Lender with satisfactory documentation and proposals showing the Borrower and Guarantor has secured funding or has funds to complete any works development or construction.
8.16 The Borrower and Chargor shall:

(a) observe and perform all covenants, stipulations and conditions to which the Property, or the use of it, is or may be subject and (if the Lender so requires) produce to the Lender evidence sufficient to satisfy the Lender that those covenants, stipulations and conditions have been observed and performed; and

(b) diligently enforce all covenants, stipulations and conditions benefiting the Property and shall not (and shall not agree to) waive, release or vary any of the same.

8.17 The Borrower and Chargor shall:

(a) give full particulars to the Lender of any notice, order, direction, designation, resolution, application, requirement or proposal given or made by any public or local body or authority (a Notice) that specifically applies to the Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Notice; and

(b) (if the Lender so requires) immediately, and at the cost of the Chargor, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Lender in making, any objections or representations in respect of that Notice that the Lender thinks fit; and

(c) give full particulars to the Lender of any claim, notice or other communication served on it in respect of any modification, suspension or revocation of any Environmental Licence or any alleged breach of any Environmental Law, in each case relating to the Property.

8.18 The Borrower and Chargor shall where the Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time and shall pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed upon the Property or on its occupier.

8.19 The Borrower and Chargor shall, if the Property is subject to occupational leases or licences, implement any upwards rent review provisions and shall not, without the prior written consent of the Lender, agree to any change in rent to less than the open market rental value of the relevant part of the Property.

8.20 The Borrower and Chargor shall in respect of the Property:

(a) comply with all the requirements of Environmental Law; and

(b) obtain and comply with all Environmental Licences.

8.21 The Borrower and Chargor shall permit the Lender and any Receiver and any
person appointed by either of them to enter on and inspect the Property on reasonable prior notice.

8.22 The Borrower and Chargor shall not, without the prior written consent of the Lender:

(a) exercise any VAT option to tax in relation to the Property; or

(b) revoke any VAT option to tax exercised, and disclosed to the Lender in writing, before the date of this deed.

8.23 Without prejudice to clause 8.2 the Borrower and Chargor shall:

(a) not carry out or permit to be carried out any works to the whole or any part of any building forming part of the Property or make or permit to be made any material alterations to the Property or sever or remove or permit to be severed or removed any of its fixtures or fittings ("the Works") unless the Borrower and Chargor:

(i) have obtained all necessary party wall agreements planning permissions building regulations and other consents, approvals or licences required from the local or any other competent authority including the appropriate fire authority and under any covenants or provisions affecting the Premises required under any of the planning acts the building and fire regulations and any other statute bye-law or regulation of any competent authority to carry out and (if appropriate) retain the Works ("the Consents");

(ii) carry out the Works in accordance with the Consents (where applicable); and

(iii) promptly following completion of the Works obtain a building regulation approval or an equivalent certificate from an entity registered on the Competent Person Register to confirm that the Works comply with building regulations; and

(b) carry out the Works using new sound and proper materials in a good and workmanlike manner and in strict compliance with all statutes and the terms conditions and requirements of all the Consents

9. RENT COVENANTS

9.1 Subject to clause 7 and 8.12, if the Borrower and Chargor grant a lease, licence or tenancy in relation to some or all or any of the Property, the Borrower and Chargor:

(a) shall not deal with the Rent except by getting it in and realising it in the ordinary and usual course of its business and shall, immediately on
receipt, pay all Rent into the Rent Account or into such other account as the Lender may direct from time to time. The Borrower and Chargor shall, pending that payment in to the Rent Account or other account, hold all Rent upon trust for the Lender;

(b) agrees with the Lender that any monies received by the Lender under clause 9.1(a) shall not constitute the Lender as mortgagee in possession of the Property; and

(c) agrees with the Lender that the Borrower and Chargor shall not be entitled to receive, utilise, transfer or withdraw any credit balance from time to time on the Rent Account except with the prior written consent of the Lender.

9.2 Subject to clause 7 and 8.12, if the Borrower and Chargor grant a lease in relation to some or all of the Property, the Borrower and Chargor shall, promptly following the occurrence of an Event of Default, give notice to the relevant tenant, licensee, guarantor or surety of the assignment under clause 3.2(b) of the Borrower and Chargor' rights and interest to the Rent and each guarantee or security in respect of the Rent.

10. **POWERS OF THE LENDER**

10.1 The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Borrower and Chargor of any obligations contained in this deed; and the Borrower and Chargor irrevocably authorise the Lender and its agents to do all things that are necessary or desirable for that purpose. Any monies expended by the Lender in remedying a breach by the Borrower and Chargor of obligations contained in this deed shall be reimbursed by the Borrower and Chargor to the Lender on a full indemnity basis and shall carry interest in accordance with clause 17.1. In remedying any breach in accordance with this clause 10.1, the Lender, its agents and their respective officers, agents and employees shall be entitled to enter onto the Property and to take any action as the Lender may reasonably consider necessary or desirable including, without limitation, carrying out any repairs, other works or development.

10.2 The rights of the Lender under clause 10.1 are without prejudice to any other rights of the Lender under this deed. The exercise of any rights of the Lender under this deed shall not make the Lender liable to account as a mortgagee in possession.

10.3 To the extent permitted by law, any right, power or discretion conferred by this deed on a Receiver may, after the security constituted by this deed has become enforceable, be exercised by the Lender in relation to any of the Charged Property whether or not it has taken possession of any Charged Property and without first appointing a Receiver or notwithstanding the appointment of a Receiver.
10.4 For the purpose of, or pending, the discharge of any of the Secured Liabilities, the Lender may convert any monies received, recovered or realised by it under this deed (including the proceeds of any previous conversion under this clause 10.4) from their existing currencies of denomination into any other currencies of denomination that the Lender may think fit. Any such conversion shall be effected at Barclays Bank Plc's then prevailing spot selling rate of exchange for such other currency against the existing currency.

10.5 If the Lender receives, or is deemed to have received, notice of any subsequent Security or other interest, affecting all or part of the Charged Property, the Lender may open a new account for the Borrower and Chargor in the Lender's books. Without prejudice to the Lender's right to combine accounts, no money paid to the credit of the Borrower and Chargor in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities. If the Lender does not open a new account immediately on receipt of the notice, or deemed notice, referred to in this clause 10.5, then, unless the Lender gives express written notice to the contrary to the Borrower and Chargor, all payments made by the Borrower and Chargor to the Lender shall be treated as having been credited to a new account of the Borrower and Chargor and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Lender.

10.6 If the Lender has more than one account for the Borrower and Chargor in its books, the Lender may at any time after:

(a) the security constituted by this deed has become enforceable; or

(b) the Lender has received, or is deemed to have received, notice of any subsequent Security or other interest affecting all or any part of the Charged Property,

transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account that may be in debit. After making any such transfer, the Lender shall notify the Borrower and Chargor of that transfer.

10.7 The Lender may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this deed (whether or not any person is jointly liable with the Borrower and Chargor) in respect of any of the Secured Liabilities or of any other security for them without prejudice either to this deed or to the liability of the Borrower and Chargor for the Secured Liabilities.

11. WHEN SECURITY BECOMES ENFORCEABLE

11.1 The security constituted by this deed shall be immediately enforceable if an Event of Default occurs.
11.2 After the security constituted by this deed has become enforceable, the Lender may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Charged Property.

12. ENFORCEMENT OF SECURITY

12.1 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after the execution of this deed, but the Lender shall not exercise such power of sale or other powers until the security constituted by this deed has become enforceable under clause 11.1. Section 103 of the LPA 1925 does not apply to the security constituted by this deed.

12.2 The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Lender and any Receiver, at any time after the security constituted by this deed has become enforceable, whether in its own name or in that of the Chargor, to:

(a) grant a lease or agreement for lease;
(b) accept surrenders of leases; or
(c) grant any option in respect of the whole or any part of the Property with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Borrower and Chargor and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Lender or Receiver thinks fit, without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

12.3 At any time after the security constituted by this deed has become enforceable, or after any powers conferred by any Security having priority to this deed shall have become exercisable, the Lender may:

(a) redeem that or any other prior Security;
(b) procure the transfer of that Security to itself;
(c) settle any account of the holder of any prior Security; and

the settlement of any such account shall be, in the absence of any manifest error, conclusive and binding on the Borrower and Chargor. All monies paid by the Lender to an encumbrancer in settlement of such an account shall be, as from its payment by the Lender, due from the Borrower and Chargor to the Lender on current account and shall bear interest at the Flat Rate of
Interest specified in the Facility Agreement and be secured as part of the Secured Liabilities.

12.4 No purchaser, mortgagee or other person dealing with the Lender, any Receiver or Delegate shall be concerned to enquire:

(a) whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;

(b) whether any power the Lender, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or

(c) how any money paid to the Lender, any Receiver or any Delegate is to be applied.

12.5 Each Receiver and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

12.6 Neither the Lender, any Receiver nor any Delegate shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Charged Property for which a mortgagee in possession might be liable as such.

12.7 If the Lender, any Receiver or Delegate enters into or takes possession of the Charged Property, it or he may at any time relinquish possession.

12.8 The receipt of the Lender or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Charged Property or in making any acquisition in the exercise of their respective powers, the Lender, every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

13. RECEIVERS

13.1 At any time after the security constituted by this deed has become enforceable, or at the request of the Borrower and Chargor, the Lender may, without further notice, appoint by way of deed, or otherwise in writing, any one or more person or persons to be a Receiver of all or any part of the Charged Property.

13.2 The Lender may, without further notice (subject to section 45 of the Insolvency Act 1986), from time to time, by way of deed, or otherwise in writing, 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.

13.3 The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925 and the remuneration of the Receiver shall be a debt secured by this deed, to the extent not otherwise
discharged.

13.4 The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

13.5 The power to appoint a Receiver (whether conferred by this deed or by statute) shall be, and remain, exercisable by the Lender despite any prior appointment in respect of all or any part of the Charged Property.

13.6 Any Receiver appointed by the Lender under this deed shall be the agent of the Borrower and Chargor and the Borrower and Chargor shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Borrower and Chargor go bankrupt and after that the Receiver shall act as principal and shall not become the agent of the Lender.

14. **POWERS OF RECEIVER**

14.1 Any Receiver appointed by the Lender under this deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 14.2 to clause 14.20. If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver. Any exercise by a Receiver of any of the powers given by clause 14 may be on behalf of the Borrower and Chargor or himself.

14.2 A Receiver may undertake or complete any works of repair, alteration, building or development on the Property and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

14.3 A Receiver may grant, or accept, surrenders of any leases or tenancies affecting the Property on any terms and subject to any conditions that he thinks fit.

14.4 A Receiver may provide services and employ, or engage, any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver may discharge any such person or any such person appointed by the Chargor.

14.5 A Receiver may exercise or revoke any VAT option to tax that he thinks fit.

14.6 A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Lender
may prescribe or agree with him.

14.7 A Receiver may collect and get in the Charged Property or any part of it in respect of which he is appointed and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Charged Property with like rights.

14.8 A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Borrower and Chargor carried out at the Property.

14.9 A Receiver may grant options and licences over all or any part of the Charged Property, grant any other interest or right over, sell, assign or lease (or concur in granting options and licences over all or any part of the Charged Property, granting any other interest or right over, selling, assigning or leasing) all or any of the Charged Property in respect of which he is appointed for such consideration and in such manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions that he thinks fit. A Receiver may promote, or concur in promoting, a company to purchase the Charged Property to be disposed of by him.

14.10 A Receiver may sever and sell separately any fixtures or fittings from the Property without the consent of the Chargor.

14.11 A Receiver may give valid receipts for all monies and execute all assurances and things that may be proper or desirable for realising any of the Charged Property.

14.12 A Receiver may make any arrangement, settlement or compromise between the Borrower and Chargor and any other person that he may think expedient.

14.13 A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Charged Property that he thinks fit.

14.14 A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 17.2, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Borrower and Chargor under this deed.

14.15 A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925 and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.

14.16 A Receiver may, for any of the purposes authorised by this clause 14, raise money by borrowing from the Lender (or from any other person) either unsecured or on the security of all or any of the Charged Property in respect of
which he is appointed on any terms that he thinks fit (including, if the Lender consents, terms under which that Security ranks in priority to this deed).

14.17 A Receiver may redeem any prior Security and settle the accounts to which the Security relates. Any accounts so settled shall be, in the absence of any manifest error, conclusive and binding on the Borrower and Chargor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

14.18 A Receiver may delegate his powers in accordance with this deed.

14.19 A Receiver may, in relation to any of the Charged Property, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Charged Property or any part of the Charged Property.

14.20 A Receiver may do any other acts and things:

(a) that he may consider desirable or necessary for realising any of the Charged Property;

(b) that he may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law; or

(c) that he lawfully may or can do as agent for the Borrower and Chargor.

15. DELEGATION

15.1 The Lender or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this deed (including the power of attorney granted under clause 19.1).

15.2 The Lender and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

15.3 Neither the Lender nor any Receiver shall be in any way liable or responsible to the Borrower and Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

16. APPLICATION OF PROCEEDS

16.1 All monies received by the Lender, a Receiver or a Delegate under this deed after the security constituted by this deed has become enforceable (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority:
(a) in or towards payment of or provision for all costs, charges and 
expenses incurred by or on behalf of the Lender (and any Receiver, 
Delegate, attorney or agent appointed by it) under or in connection with 
this deed and of all remuneration due to any Receiver under or in 
connection with this deed;

(b) in or towards payment of or provision for the Secured Liabilities in any 
order and manner that the Lender determines; and

(c) in payment of the surplus (if any) to the Borrower and Chargor or other 
person entitled to it.

16.2 Neither the Lender, any Receiver nor any Delegate shall be bound (whether by 
virtue of section 109(8) of the LPA 1925, which is varied accordingly, or 
otherwise) to pay or appropriate any receipt or payment first towards interest 
rather than principal or otherwise in any particular order between any of the 
Secured Liabilities.

16.3 All monies received by the Lender, a Receiver or a Delegate under this deed 
(other than sums received under any Insurance Policy that are not going to be 
applied in or towards discharge of the Secured Liabilities):

(a) may, at the discretion of the Lender, Receiver or Delegate, be credited 
to any suspense or securities realised account;

(b) shall bear interest, if any, at the rate agreed in writing between the 
Lender and the Borrower and Chargor; and

(c) may be held in that account for so long as the Lender, Receiver or 
Delegate thinks fit.

17. COSTS AND INDEMNITY

17.1 The Borrower and Chargor shall, immediately on demand pay to, or reimburse, 
the Lender and any Receiver, on a full indemnity basis, all costs, charges, 
exenses (including legal and out-of-pocket expenses and any valued added 
tax on those costs and expenses together with the management costs of the 
Lender charged at the then prevailing commercial rate, which at the date of this 
deed is £195 per hour (pro rata) plus VAT), taxes and liabilities of any kind 
(including, without limitation, legal, printing and out-of-pocket expenses) 
incurred by the Lender, any Receiver or any Delegate in connection with:

(a) the preparation, negotiation, execution and delivery of this deed;

(b) this deed or the Charged Property;

(c) taking, holding, protecting, perfecting, preserving or enforcing (or 
attempting to do so) any of the Lender's, a Receiver's or a Delegate's 
rights under this deed; or
(d) taking proceedings for, or recovering, any of the Secured Liabilities;

(e) any discharge or release of the security created by this deed;

(f) any stamping or registration of this deed;

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding-up or administration of the Borrower and Chargor) at the rate and in the manner specified in the Facility Agreement.

17.2 The Borrower and Chargor shall indemnify the Lender, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

(a) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Charged Property;

(b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or

(c) any default or delay by the Borrower and Chargor in performing any of its obligations under this deed.

Any past or present employee or agent may enforce the terms of this clause 17.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

18. FURTHER ASSURANCE

The Borrower and Chargor shall, at their own expense, take whatever action the Lender or any Receiver may require for:

(a) creating, perfecting or protecting the security intended to be created by this deed;

(b) facilitating the realisation of any of the Charged Property; or

(c) facilitating the exercise of any right, power, authority or discretion exercisable by the Lender or any Receiver in respect of any of the Charged Property,

including, without limitation (if the Lender or Receiver thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Charged Property.
(whether to the Lender or to its nominee) and the giving of any notice, order or direction and the making of any registration.

19. **POWER OF ATTORNEY**

19.1 By way of security, the Borrower and Chargor irrevocably appoint the Lender, every Receiver and every Delegate separately to be the attorney of the Borrower and Chargor and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

(a) the Borrower and Chargor are required to execute and do under this deed; or

(b) any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Lender, any Receiver or any Delegate.

19.2 The Borrower and Chargor ratify and confirm, and agree to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 19.1.

20. **RELEASE**

Subject to clause 27.3, on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Borrower and Chargor, take whatever action is necessary to:

(a) release the Charged Property from the security constituted by this deed; and

(b) reassign the Charged Property to the Borrower and Chargor.

21. **ASSIGNMENT AND TRANSFER**

21.1 At any time, without the consent of the Borrower and Chargor, the Lender may assign or transfer any or all of its rights and obligations under this deed. The Lender may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Borrower and Chargor, the Charged Property and this deed that the Lender considers appropriate.

21.2 The Borrower and Chargor may not assign any of its rights, or transfer any of its rights or obligations, under this deed.

22. **SET-OFF**

22.1 The Lender may at any time set off any liability of the Borrower and Chargor to the Lender against any liability of the Lender to the Borrower and Chargor, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. If the liabilities to be set off are expressed in different currencies, the Lender may convert either liability at
a market rate of exchange for the purpose of set-off. Any exercise by the Lender of its rights under this clause shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

22.2 The Lender is not obliged to exercise its rights under clause 22.1. If, however, it does exercise those rights it must notify the Borrower and Chargor of the set-off that has been made.

23. AMENDMENTS, WAIVERS AND CONSENTS

23.1 No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

23.2 A waiver of any right or remedy under this deed or by law, or any consent given under this deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision. A failure to exercise or a delay in exercising any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by the Lender shall be effective unless it is in writing.

23.3 The rights and remedies provided under this deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

24. SEVERANCE

If any provision (or part of a provision) of this deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this deed.

25. COUNTERPARTS

This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

26. THIRD PARTY RIGHTS

Except as expressly provided elsewhere in this deed, a person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed.
does not affect any right or remedy of a third party which exists, or is available, apart from that Act. The rights of the parties to rescind or agree any amendment or waiver under this deed are not subject to the consent of any other person.

27. **FURTHER PROVISIONS**

27.1 The security constituted by this deed shall be in addition to, and independent of, any other security or guarantee that the Lender may hold for any of the Secured Liabilities at any time. No prior security held by the Lender over the whole or any part of the Charged Property shall merge in the security created by this deed.

27.2 The security constituted by this deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Lender discharges this deed in writing.

27.3 Any release, discharge or settlement between the Borrower and Chargor and the Lender shall be deemed conditional on no payment or security received by the Lender in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded under any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

   (a) the Lender or its nominee may retain this deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Charged Property, for any period that the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and

   (b) the Lender may recover the value or amount of such security or payment from the Borrower and Chargor subsequently as if the release, discharge or settlement had not occurred.

27.4 A certificate or determination by the Lender as to any amount for the time being due to it from the Borrower and Chargor under this deed and the Facility Agreement shall be, in the absence of any manifest error, conclusive evidence of the amount due.

27.5 The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this deed.

28. **NOTICES**

28.1 Any notice or other communication given to a party under or in connection with
this deed shall be:

(a) in writing;

(b) delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax or by email; and

(c) sent to:

(i) the Borrower and Chargor at:

111 Grosvenor Road
London
SW1V 3LG
Attention: Pankaj Saxena

(ii) the Lender at:

Centurion Developers Limited
23/24 Margaret Street
Fitzrovia
London
W1W 8RU
Attention: Vijay Gandhi

or to any other address or fax number or email address as is notified in writing by one party to the other from time to time.

28.2 Any notice or other communication that the Lender gives to the Borrower and Chargor shall be deemed to have been received:

(a) if delivered by hand, at the time it is left at the relevant address;

(b) if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting;

(c) if sent by fax at the time of transmission and

(d) if sent by email at the time of transmission.

A notice or other communication given as described in clause 28.2(a) or clause 28.2(c) or clause 28.2(d) on a day that is not a Business Day, or after 6.30 pm on a Business Day, in the place it is received, shall be deemed to have been received on the next Business Day.

28.3 Any notice or other communication given to the Lender shall be deemed to have been received only on actual receipt.
28.4 Subject to clause 29.3, this clause 28 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

29. **GOVERNING LAW AND JURISDICTION**

29.1 This deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

29.2 Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this deed or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Lender to take proceedings against the Borrower and Chargor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

29.3 The Guarantor without prejudice to any other mode of service allowed under any relevant law, irrevocably appoints:

111 Grosvenor Road
London
SW1V 3LG

Attention: Pankaj Saxena

as its agent for services of notices and all other communications in relation to the Finance Documents (including process in relation to any proceedings before the English courts in connection with any Finance Document).

29.4 The Borrower without prejudice to any other mode of service allowed under any relevant law, irrevocably appoints:

111 Grosvenor Road
London
SW1V 3LG

Attention: Pankaj Saxena

as its agent for services of notices and all other communications in relation to the Finance Documents (including process in relation to any proceedings before the English courts in connection with any Finance Document).
29.5 If any person appointed as an agent for service is unable for any reason to act as agent the Guarantor must immediately (and in any event within five days of such event taking place) appoint another agent on terms acceptable to the Lender. Failing this, the Lender may appoint another agent for this purpose.

29.6 The Borrower and Chargor irrevocably consent to any process in any legal action or proceedings under clause 29 being served on it in accordance with the provisions of this deed relating to service of notices. Nothing contained in this deed shall affect the right to serve process in any other manner permitted by law.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.
Executed as a deed by
VENUS GULF INTERNATIONAL LIMITED

Acting by its director
in the presence of:

Name: [Signature]

Witness: [Signature]

Occupation: [Signature]

Address:
Malcolm & Co Solicitors LLP
Malcolm House
4 Warner Place
London, E2 7DA
0207 613 4300

Executed as a deed by
TRAVEL JOY HOSTELS LIMITED

Acting by its director
in the presence of:

Name: [Signature]

Witness: [Signature]

Occupation: [Signature]

Address:
Malcolm & Co Solicitors LLP
Malcolm House
4 Warner Place
London, E2 7DA
0207 613 4300
Executed as a deed for and on behalf of CENTURION DEVELOPMENT LTD by

in the presence of:

__________________________
Witness

Name:

Occupation:

Address: