



**Registration of a Charge**

Company Name: **ESPALIER PROPERTY VENTURES (CLAPHAM) LTD**

Company Number: **12271978**



Received for filing in Electronic Format on the: **06/02/2023**

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**Details of Charge**

Date of creation: **31/01/2023**

Charge code: **1227 1978 0003**

Persons entitled: **ESPALIER VENTURES LIMITED**

Brief description: **68 TO 86 (EVEN) CLAPHAM ROAD, LONDON SW7 0JJ WITH TITLE NUMBER SGL463448, AND LONDON TERMINAL COACH STATION, 68 TO 86 (EVEN) CLAPHAM ROAD, LONDON WITH TITLE NUMBER 368723.**

**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**

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

Certified by:

**HILL DICKINSON LLP**



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

Company number: 12271978

Charge code: 1227 1978 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st January 2023 and created by ESPALIER PROPERTY VENTURES (CLAPHAM) LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th February 2023 .

Given at Companies House, Cardiff on 7th February 2023

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



**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**

31 January 2023

**Espalier Property Ventures (Clapham) Ltd**

as Borrower

and

**Espalier Ventures Limited**

as Lender

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**DEBENTURE**

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THIS DEED is made on

31 January

2023

BETWEEN:

- (1) **ESPALIER PROPERTY VENTURES (CLAPHAM) LTD** (registered in England with number 12271978) whose registered office is at One Gloucester Place, Brighton BN1 4AA (the "**Borrower**"); and
- (2) **ESPALIER VENTURES LIMITED** (registered in England with number 08126282) whose registered office is at One Gloucester Place, Brighton BN1 4AA (the "**Lender**").

IT IS AGREED as follows:

# 1. DEFINITIONS, CONSTRUCTION AND THIRD PARTY RIGHTS

## 1.1 Definitions

Terms defined in the Loan Agreement shall, unless otherwise defined in this Deed or unless a contrary intention appears, bear the same meaning when used in this Deed and the following terms shall have the following meanings:

**"Account Proceeds"** means all amounts (including interest) from time to time standing to the credit of any bank or other account of the Borrower with any bank, building society, financial institution or other person and the debts represented thereby.

**"Administrator"** means a person appointed under Schedule B1 to the Insolvency Act 1986 to manage the Borrower's affairs, business and property.

**"Assigned Agreements"** means any agreement designated as an Assigned Agreement by the Borrower and the Lender;

**"Charged Assets"** means the assets mortgaged, charged or assigned pursuant to Clauses 3 (*Security*) and 4.1 (*Creation of Floating Charge*) of this Deed.

**"Debts"** means all of the Borrower's present and future book and other debts, revenues and monetary claims, whether actual or contingent, and whether originally owing to the Borrower or purchased or acquired by it, and all things in action which may give rise to any debt, revenue or monetary claim and the benefit of any related Security, guarantee or other rights of any nature relating thereto and any proceeds of any of the above.

**"Delegate"** means any delegate, agent, attorney or co-trustee appointed by the Lender.

**"EU Regulation"** means the Council of the European Union Regulation 1346/2000/EC on insolvency proceedings (the EU Regulation).

**"Insurance Policies"** means all present and future contracts or policies of insurance (including life policies) in which the Borrower has an interest or in which it may from time to time have an interest (whether solely, jointly, as loss payee or otherwise).

**"Insurance Proceeds"** means all monies from time to time payable to the Borrower under or pursuant to the Insurance Policies, including (without limitation) the refund of any premiums.

**"Investments"** means any stocks, shares, debentures, bonds, warrants or other securities, whether held directly by or to the order of the Borrower or by any trustee, fiduciary or clearance system on its behalf; and all Related Property Rights (including all rights against any trustee, fiduciary or clearance system).

**"Loan Agreement"** means the loan agreement of even date herewith made between (1) the Lender and (2) the Borrower.

**"LPA"** means the Law of Property Act 1925.

**"Real Property"** means:

- (a) all of the freehold and/or leasehold property of the Borrower specified in Schedule 1 (*Real Property*);
- (b) all of the freehold and leasehold property or immovable property of the Borrower situate in England and Wales (other than the property referred to in paragraph (a));

(c) any buildings, fixtures (including trade fixtures), fittings, fixed plant or machinery from time to time on or forming part of the property referred to in paragraphs (a) and (b); and

(d) the Related Property Rights.

**"Receiver"** means any person appointed by the Lender to be a receiver or receiver and manager or administrative receiver of any property subject to the security created by this Deed.

**"Related Property Rights"** means, where used in relation to a particular property, asset (or class of assets) or right, the following:

(a) the proceeds of sale and/or other realisation of that property, asset (or class of assets) or right (or any part thereof or interest therein);

(b) all security, options, agreements, rights, easements, benefits, indemnities, guarantees, warranties or covenants for title in respect of such property, asset (or class of assets) or right; and

(c) all rights under any lease, licence or agreement for lease, sale or use in respect of such property or asset.

**"Secured Liabilities"** means all monies, obligations and liabilities covenanted to be paid or discharged pursuant to Clause 2 (*Covenants to Pay*).

**"Secured Party"** means the Lender, a Receiver or any Delegate.

**"Security Period"** means the period from the date of this Deed until the date on which all of the Secured Liabilities have been irrevocably and unconditionally paid and discharged in full.

## 1.2 Construction and Third Party Rights

1.2.1 Unless the context otherwise requires, words in the singular shall include the plural and words in the plural shall include the singular.

1.2.2 Unless a contrary intention appears, words defined in the Companies Act 2006 have the same meanings in this Deed.

1.2.3 No term of this Deed is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Deed (other than a Secured Party who is not a party to this Deed).

## 1.3 Implied Covenants for Title

The obligations of the Borrower under this Deed shall be in addition to the covenants for title deemed to be included in this Deed by virtue of Part I of the Law of Property (Miscellaneous Provisions) Act 1994.

## 1.4 Effect as a Deed

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

## 1.5 Law of Property (Miscellaneous Provisions) Act 1989

To the extent necessary for any agreement for the disposition of the Charged Assets in this Deed to be a valid agreement under section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the other Finance Documents and of any side letters between the parties to this Deed are incorporated into this Deed.

## 2. COVENANTS TO PAY

### 2.1 Covenant to Pay Secured Liabilities

The Borrower covenants that it shall on demand pay to the Lender all monies and discharge all obligations and liabilities now or hereafter due, owing or incurred by it to any Secured Party in any manner and in any currency or currencies in each case when the same become due for payment or discharge whether by acceleration or otherwise, and whether such monies, obligations or liabilities are express or implied; present, future or contingent; joint or several; incurred as principal or surety; originally owing to a Secured Party or purchased

(whether by assignment or otherwise) or acquired in any other way by it; denominated in sterling or any other currency; or incurred on any current or other banking account or in any other manner whatsoever.

## 2.2 **Potential Invalidity**

Neither the covenant to pay in Clause 2.1 (*Covenant to Pay Secured Liabilities*) nor the security created by this Deed shall extend to or include any liability or sum which would, but for this Clause 2.2, cause such covenant, obligation or security to be unlawful under any applicable law.

## 3. **SECURITY**

### 3.1 **Creation of Fixed Security**

The Borrower charges to the Lender by way of fixed charge (which so far as relates to freehold or leasehold property in England and Wales vested in the Borrower at the date of this Deed shall be a charge by way of legal mortgage) with full title guarantee and as a continuing security for the payment and discharge of the Secured Liabilities all of the Borrower's rights to and title and interest from time to time in any and each of the following:

- 3.1.1 the Real Property;
- 3.1.2 all plant, machinery, vehicles, computers, office and other equipment and chattels (excluding stock-in-trade or work in progress) and all Related Property Rights;
- 3.1.3 (to the extent that the same are not the subject of a fixed charge under Clause 3.1.4) all Debts;
- 3.1.4 all Account Proceeds;
- 3.1.5 all Investments;
- 3.1.6 all of its intellectual property rights;
- 3.1.7 all goodwill and uncalled capital;
- 3.1.8 any building contract, consultant appointment and collateral warranty in respect of the development of any Real Property; and
- 3.1.9 (to the extent not effectively assigned under Clause 3.2 (*Assignments*)), the assets (including present and future properties, contracts, revenues and rights of every description) which are specified in Clause 3.2 (*Assignments*).

### 3.2 **Assignments**

The Borrower assigns to the Lender with full title guarantee as a continuing security for the payment and discharge of the Secured Liabilities all of the Borrower's rights to and title and interest from time to time in any and each of the following:

- 3.2.1 the Insurance Policies and the Insurance Proceeds;
- 3.2.2 each Assigned Agreement to which it is a party together with any amounts received or receivable under and/or pursuant to such Assigned Agreement;
- 3.2.3 all income received or receivable from the Property;
- 3.2.4 any guarantee of income received or receivable from the Property contained in or relating to any occupational lease or agreement for lease; and
- 3.2.5 all other agreements, contracts, deeds, licences, undertakings, guarantees, covenants, warranties, representations and other documents entered into by, given to or otherwise benefiting the Borrower in respect of the Charged Assets or otherwise for the Business of the Borrower, the Real Property or the Charged Assets,

and all Related Property Rights in respect of the above.

### 3.3 **Preservation of Fixed Charge**

Without prejudice to Clause 3.1.3 (*Creation of Fixed Security*) and Clause 3.2 (*Assignments*), if the Borrower is entitled to withdraw the proceeds of any book and other debts standing to the credit of an account and, as a result, those proceeds are in any way released from the fixed charge created pursuant to Clauses 3.1.4 (*Creation of Fixed Security*) and 3.2 (*Assignments*), the release will in no way derogate from the subsistence and continuance of the fixed charge on all other outstanding book and other debts of the Borrower and the proceeds of those debts.

## 4. **FLOATING CHARGE**

### 4.1 **Creation of Floating Charge**

4.1.1 The Borrower charges to the Lender by way of first floating charge with full title guarantee and as a continuing security for the payment and discharge of the Secured Liabilities all of the Borrower's rights to and title and interest from time to time in the whole of its property, assets, rights and revenues whatsoever and wheresoever, present and future, other than any property, assets, rights and revenues validly and effectively charged or assigned (whether at law or in equity) pursuant to Clauses 3.1 (*Creation of Fixed Security*) or 3.2 (*Assignments*).

4.1.2 The floating charge hereby created is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

4.1.3 Without prejudice to Clause 4.1.2, the Lender reserves its rights to appoint an administrative receiver upon this Deed becoming enforceable in accordance with sections 72 B to H (inclusive) of the Insolvency Act 1986.

### 4.2 **Automatic Crystallisation of Floating Charge**

Notwithstanding anything express or implied in this Deed, and without prejudice to any law which may have similar effect, if:

4.2.1 the Borrower creates or attempts to create any Security over all or any of the Charged Assets save as expressly permitted under the terms of the Loan Agreement; or

4.2.2 any person levies or attempts to levy any distress, execution or other process against any of the Charged Assets and is not discharged within five days; or

4.2.3 a resolution is passed or an order is made for the winding up, dissolution, administration or other reorganisation of the Borrower; or

4.2.4 an Administrator is appointed or any step intended to result in such appointment is taken, then the floating charge created by Clause 4.1 (*Creation of Floating Charge*) will automatically (without notice) be converted into a fixed charge as regards all of the assets subject to the floating charge.

### 4.3 **Crystallisation on Notice of Floating Charge**

Notwithstanding anything express or implied in this Deed, the Lender may at any time:

4.3.1 upon this Deed becoming enforceable; or

4.3.2 if the Lender considers in good faith that any of the Charged Assets are in danger of being seized or sold as a result of any legal process, are otherwise in jeopardy or the Lender believes that steps are being taken or have been taken which are likely or intended to lead to the appointment of an Administrator or the presentation of a petition for the winding-up of the Borrower,

by giving notice in writing to that effect to the Borrower convert the floating charge created by Clause 4.1 (*Creation of Floating Charge*) into a fixed charge as regards any assets specified in such notice. The conversion shall take effect immediately upon the giving of the notice.



5. **FURTHER ASSURANCE**

5.1 The Borrower must promptly upon request by the Lender execute (in such form as the Lender may require) such documents (including assignments, transfers, mortgages, charges, notices and instructions) in favour of the Lender or its nominees and do all such assurances and things as the Lender may require for:

- 5.1.1 perfecting and/or protecting (by registration or in any other way) the security created or intended to be created by this Deed;
- 5.1.2 conferring upon the Lender such security as it may require over the assets of the Borrower outside of England and Wales which if in England or Wales would form part of or be intended to form part of the Charged Assets;
- 5.1.3 facilitating, at any time on or after this Deed becoming enforceable, the realisation of all or any part of the assets of the Borrower; and
- 5.1.4 exercising all powers, authorities and discretions conferred on the Lender or any Receiver pursuant to this Deed or by law.

5.2 The Borrower shall, at any time, promptly upon request, execute over all or any of the Charged Assets, a charge by way of legal mortgage or legal sub-mortgage or legal assignment, as the case may be, in favour of the Lender in such form as the Lender shall reasonably require.

5.3 The Borrower shall take all such action as may be available to it for the purpose of creating, perfecting or maintaining the security created or intended to be created pursuant to this Deed including the obtaining of any necessary consent (in form and content satisfactory to the Lender) to enable its assets to be mortgaged, charged or assigned pursuant to this Deed. Immediately upon obtaining any necessary consent the asset concerned shall become subject to the security created by this Deed. The Borrower shall promptly deliver a copy of each such consent to the Lender.

6. **GENERAL UNDERTAKINGS WITH RESPECT TO CHARGED ASSETS**

6.1 The Borrower undertakes to the Lender with respect to the Charged Assets that:

6.1.1 **Negative Pledge**

it shall not, except as expressly permitted by the Loan Agreement, create or attempt to create or permit to subsist or arise any Security on, over or affecting the Charged Assets or any part of them;

6.1.2 **Disposals**

it shall not dispose of the Charged Assets or any part of them or agree to do so except in the case of disposals which are expressly permitted by the Loan Agreement and for these purposes 'dispose' shall include any form of disposal including any transfer, declaration of trust, assignment, sale, novation or the creation of any other form of legal or equitable interest in or over any of the Charged Assets;

6.1.3 **Subsequent Charges**

subject to Clause 6.1.1 (*Negative Pledge*), it shall procure that any Security created by the Borrower after the date of this Deed (otherwise than in favour of the Lender) shall be expressed to be subject to this Deed; and

6.1.4 **Deposit of Title Documents**

it shall deposit with the Lender or its nominee all deeds and documents of title relating to the Charged Assets provided that:

- (A) in the case of deeds or documents of title relating to Real Property, it shall ensure that such deeds and documents of title are held either by the Lender or to the order of the Lender by a firm of solicitors approved by the Lender for that purpose; and

- (B) it shall not be required to deposit any stock or share certificates relating to the investments to the extent that the relevant documents have been deposited with a clearance system, settlement system or custodian acceptable to the Lender.

## **6.2 Notices of Charge and/or Assignment**

- 6.2.1 The Borrower shall forthwith give notice to any bank or financial institution where any account is held in the form set out in Part A1 of Schedule 2 (*Notices*) and shall use reasonable endeavours to procure that each such bank or financial institution acknowledges such notice to the Lender in the form set out in Part A2 of Schedule 2 (*Notices*).
- 6.2.2 The Borrower shall forthwith give notice to each other party to each Assigned Agreement to which it is a party in the form set out in Part B1 of Schedule 2 (*Notices*) and shall use reasonable endeavours to procure that each such person acknowledges such notice to the Lender substantially in the form set out in Part B2 of Schedule 2 (*Notices*).
- 6.2.3 The Borrower shall deliver to the Lender and serve on any debtor or other person as required by the Lender:
  - (A) notices of assignment in respect of any of the other assets assigned pursuant to this Deed (including any of the contracts referred to in Clause 3.2 (*Assignments*)) and shall use reasonable endeavours to procure that each notice is acknowledged by any debtor specified by the Lender; and
  - (B) notices of charge in respect of any of the assets charged pursuant to this Deed and shall use reasonable endeavours to procure that each notice is acknowledged by any debtor specified by the Lender.
- 6.2.4 The notices of charge and/or assignment and/or acknowledgement referred to in Clause 6.2.3 shall be in a form substantially similar to those contained in Schedule 2 (*Notices*) or such other form as the Lender may require.
- 6.2.5 The Borrower shall forthwith give notice to any insurer of the Real Property in the form set out in Part C1 of Schedule (*Notices*) and shall use reasonable endeavours to procure that each such insurer acknowledges such notice to the Lender in the form set out in Part C2 of Schedule 2 (*Notices*).
- 6.3 The Borrower shall, if requested by the Lender, execute all such documents and do all such acts as the Lender may reasonably require to record the interests of the Lender in any registers relating to registered intellectual property rights.
- 6.4 The Borrower by execution of this Deed acknowledges each security assignment given by Clapham Properties Limited in respect of each relevant Assigned Agreement pursuant to the terms of a debenture entered into on or about the date of this Deed between Clapham Properties Limited and the Lender.

## **7. REAL PROPERTY UNDERTAKINGS**

### **7.1 Statutory Power of Leasing**

In relation to Real Property, the Borrower agrees that, unless it has the prior written consent of the Lender (or the same is otherwise expressly permitted in accordance with the Loan Agreement), it shall not exercise the statutory power of leasing and/or accepting surrenders of leases conferred on mortgagors and further agrees that the Lender may grant or accept surrenders of leases without restriction.

### **7.2 Registration and Notifications**

The Borrower shall:

- 7.2.1 immediately notify the Lender of any contract, conveyance, transfer or other disposition for the acquisition by the Borrower of the legal or beneficial interest in any Real Property; and
- 7.2.2 make an application to the Chief Land Registrar on Form RX1 for the registration against the registered titles (if any) specified in Schedule 1 (*Real Property*) (and any unregistered properties

subject to compulsory first registration at the date of this Deed and any other Real Property from time to time including a registered title) of the following restriction:

*"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 [date] in favour of Espalier Ventures Limited referred to in the charges register or their conveyancer."*

**8. UNDERTAKINGS AS TO THE ASSIGNED AGREEMENTS**

8.1 The Borrower shall, unless the Lender agrees otherwise in writing, comply with the terms of each Assigned Agreement to which it is a party and any document, agreement or arrangement comprising the Charged Assets.

8.2 The Borrower shall not, unless otherwise agreed in writing with the Lender:

8.2.1 amend or vary or agree to any material change in or waive any requirement of; or

8.2.2 settle compromise, terminate, rescind or discharge (except by performance);

any Assigned Agreement to which it is a party or any document, agreement or arrangement comprising the Charged Assets.

**9. UNDERTAKINGS AS TO CHARGE OVER BOOK AND OTHER DEBTS**

During the Security Period, the Borrower undertakes with reference to the Debts:

9.1 to collect the Debts in the ordinary course of its business and (upon this Deed becoming enforceable) to hold the proceeds of those Debts on trust for the Lender; and

9.2 upon this Deed becoming enforceable to pay as the Lender may direct all monies which the Borrower may receive in respect of the Debts;

**10. REPRESENTATIONS**

The Borrower represents and warrants to the Lender, on the date of this Deed and on each date during the Security Period by reference to the facts and circumstances then existing that:

10.1 it is a limited liability company, duly incorporated and validly existing under the law of its jurisdiction of incorporation;

10.2 it has the power to own its assets and carry on its business as it is being conducted;

10.3 the entry into and performance by it of, and the transactions contemplated by, this Deed and the granting of the security created by this Deed do not and will not conflict with: any law or regulation applicable to it; its constitutional documents; or any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument

10.4 the Charged Assets are legally and beneficially owned by the Borrower free of any security other than security created by or expressly permitted by this Deed or the Loan Agreement;

10.5 this Deed creates the security which it purports to create and is not liable to be avoided or otherwise set aside on the liquidation or administration of the Borrower or otherwise;

10.6 this Deed is its legal, valid and binding obligation and, subject to the general principles of law limiting its obligations, is enforceable in accordance with its terms;

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

10.8 all authorisations required or desirable to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Deed and to make this Deed admissible in evidence in its jurisdiction of incorporation have been obtained or effected and are in full force and effect;

- 10.9 it has a good and marketable title to the Real Property and it is the legal and beneficial owner of the Real Property free from any security (other than that created or permitted by this Deed or the Loan Agreement), restrictions or onerous covenants;
- 10.10 no breach of any law, regulation or covenant is outstanding which adversely affects or might reasonably be expected to adversely affect the value, saleability or use of the Real Property;
- 10.11 there is no covenant, agreement, stipulation, reservation, condition, interest, right, easement or other matter whatsoever adversely affecting the Real Property;
- 10.12 nothing has arisen or has been created or is outstanding which would be an overriding interest, or an unregistered interest which overrides first registration or a registered disposition, over the Real Property;
- 10.13 all facilities necessary for the enjoyment and use of the Real Property (including those necessary for the carrying on of its business at the Real Property) are enjoyed by the Real Property and none of those facilities are enjoyed on terms:
- 10.13.1 entitling any person to terminate or curtail the use of the Real Property; or
- 10.13.2 which conflict with or restrict the use of the Real Property;
- 10.14 it has not received any notice of any adverse claim by any person in respect of the ownership of the Real Property or any interest in it which might reasonably be expected to be determined in favour of that person, nor has any acknowledgement been given to any such person in respect of the Real Property;
- 10.15 the Real Property is held by it free from any lease or licence (other than those entered into in accordance with this Deed or as detailed in the Loan Agreement);
- 10.16 the Investments are fully paid and are not subject to any option to purchase or similar right; and
- 10.17 for the purposes of the EU Regulation, its centre of main interests (as that expression is used in Article 3(1) of the EU Regulation, is situated in England and Wales and it has no other "establishment" (as that term is used in Article 2(h) of the EU Regulation) in any other jurisdiction.

## 11. RIGHTS OF THE LENDER

### 11.1 Enforcement

At any time on or after the occurrence of an Event of Default which is continuing, the security created pursuant to this Deed shall be immediately enforceable and the Lender may in its absolute discretion and without notice to the Borrower or the prior authorisation of any court:

- 11.1.1 enforce all or any part of the security created by this Deed and take possession of or dispose of all or any of the Charged Assets in each case at such times and upon such terms as it sees fit; and
- 11.1.2 whether or not it has appointed a Receiver, exercise all of the powers, authorities and discretions:
- (A) conferred from time to time on mortgagees by the LPA (as varied or extended by this Deed) or by law; and
- (B) granted to a Receiver by this Deed or from time to time by law.

### 11.2 Restrictions on Consolidation of Mortgages

Section 93 of the LPA shall not apply to this Deed or to any sale made under it. The Lender shall have the right to consolidate all or any of the security created by or pursuant to this Deed with any other security in existence at any time. Such power may be exercised by the Lender at any time on or after this Deed becomes enforceable. The Borrower hereby consents to the Lender making an application to the Chief Land Registrar on Form CC for registration against the registered titles (if any) specified in Schedule 1 (*Real Property*) (and any unregistered properties subject to compulsory first registration at the date of this Deed and any other Real Property from time to time including a registered title) of the right to consolidate.

### 11.3 Restrictions on Exercise of Power of Sale

Section 103 of the LPA shall not apply to this Deed and the power of sale arising under the LPA shall arise on the date of this Deed (and the Secured Liabilities shall be deemed to have become due and payable for that purpose). The power of sale and other powers conferred by section 101 of the LPA as varied or extended by this Deed and those powers conferred (expressly or by reference) on a Receiver shall be immediately exercisable by the Lender at any time after this Deed becomes enforceable **Leasing Powers**

The restrictions contained in sections 99 to 100 of the LPA shall not apply to restrict the rights of the Lender or any Receiver under this Deed. The statutory powers of leasing may be exercised by the Lender upon this Deed becoming enforceable and the Lender and any Receiver may make any lease or agreement for lease and/or accept any surrenders of leases and/or grant options on such terms as it sees fit without the need to comply with the aforementioned restrictions.

### 11.4 No Prior Notice Needed

The powers of the Lender set out in Clauses 11.2 (*Restrictions on Consolidation of Mortgages*) to 0 (*Leasing Powers*) may be exercised by the Lender without prior notice to the Borrower.

### 11.5 Right of Appropriation

11.5.1 Without prejudice to the other provisions of this Deed, to the extent that any of the Charged Assets constitute "financial collateral", and this Deed and the obligations of the Borrower hereunder constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No.2) Regulations 2003 (SI 2003/3226) (the "**Regulations**")), the Lender shall at any time on and after this Deed becoming enforceable have the right to appropriate all or any part of those Charged Assets in or towards discharge of the Secured Liabilities. For this purpose, the parties agree that the value of any such Charged Assets so appropriated shall be the market price of such Charged Assets at the time the right of appropriation is exercised as determined by the Lender by reference to such method or source of valuation as the Lender may select, including by independent valuation. The parties agree that the methods or sources of valuation provided for in this Clause, or selected by the Lender in accordance with this Clause shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

11.5.2 The Lender shall notify the Borrower as soon as reasonably practicable of the exercise of its right of appropriation as regards such of the Charged Assets as are specified in such notice.

## 12. EXONERATION

### 12.1 Exoneration

No Secured Party or Receiver shall, by reason of it entering into possession of the Charged Assets, be liable to account as mortgagee in possession or be liable for any loss or realisation or for any default or omission for which a mortgagee in possession might be liable; but every Receiver duly appointed by the Lender under this Deed shall for all purposes be deemed to be in the same position as a receiver duly appointed by a mortgagee under the LPA save to the extent that the provisions of that Act are varied by or are inconsistent with the provisions of this Deed when the provisions of this Deed shall prevail and every such Receiver and the Lender shall in any event be entitled to all the rights, powers, privileges and immunities conferred by the LPA on mortgagees and receivers duly appointed under the LPA.

### 12.2 Indemnity

The Lender and every Receiver, attorney, delegate, manager, agent or other person appointed by the Lender hereunder shall be entitled to be indemnified out of the Charged Assets or any part thereof in respect of all liabilities and expenses incurred by it or him in the execution of any of the powers, authorities or discretions vested in it or him pursuant to this Deed and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Charged Assets or any part of them. The Lender and any such Receiver may retain and pay all sums in respect of which it is indemnified out of any monies received by it under the powers conferred by this Deed.

**13. APPOINTMENT OF RECEIVER OR ADMINISTRATOR**

**13.1 Appointment**

13.1.1 At any time on or after this Deed becomes enforceable , or at the request of the Borrower or its directors, the Lender may, without prior notice to the Borrower, in writing (under seal, by deed or otherwise under hand) appoint:

(A) a Receiver in respect of the Charged Assets or any part thereof and may in like manner from time to time (and insofar as it is lawfully able to do) remove any Receiver and appoint another in his stead; or

(B) one or more persons to be an Administrator in accordance with paragraph 14 of Schedule B1 to the Insolvency Act 1986.

13.1.2 Nothing in Clause 13.1.1 shall restrict the exercise by the Lender of any one or more of the rights of the Lender under Schedule B1 to the Insolvency Act 1986 and the rules thereunder or at common law.

**13.2 More than one Receiver**

Where more than one Receiver is appointed, each joint Receiver shall have the power to act severally, independently of any other joint Receiver, except to the extent that the Lender may specify to the contrary in the appointment.

**13.3 Receiver as agent**

A Receiver shall be the agent of the Borrower which shall be solely responsible for his acts or defaults and for his remuneration. No Receiver shall at any time act as agent of any Secured Party.

**13.4 Receiver's Remuneration**

A Receiver shall be entitled to remuneration for his services at a rate to be determined by the Lender from time to time (and without being limited to any maximum rate specified by any statute or statutory instrument).

**13.5 Actions of the Administrator**

Save as provided for in statute or as otherwise agreed in writing by that Secured Party, no Secured Party shall have any liability for the acts or omissions of an Administrator.

**14. RECEIVER'S POWERS**

**14.1 Powers**

A Receiver shall have (and be entitled to exercise) in relation to the Charged Assets over which he is appointed the following powers (as the same may be varied or extended by the provisions of this Deed):

14.1.1 all of the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);

14.1.2 all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the LPA;

14.1.3 all the powers and rights of a legal and beneficial owner and the power to do or omit to do anything which the Borrower itself could do or omit to do; and

14.1.4 the power to do all things which, in the opinion of the Receiver, are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Receiver pursuant to this Deed or upon receivers by statute or law generally (including the bringing or defending of proceedings in the name of, or on behalf of, the Borrower; the collection and/or realisation of Charged Assets in such manner and on such terms as the Receiver sees fit; and the execution of documents in the name of the Borrower (whether under hand, or by way of deed or by utilisation of the seal of the Borrower).

**14.2 Powers may be Restricted**

The powers granted to a Receiver pursuant to this Deed may be restricted by the instrument (signed by the Lender) appointing him but they shall not be restricted by any winding-up or dissolution of the Borrower.

**15. PROTECTION OF PURCHASERS**

**15.1 Absence of Enquiry**

No person or persons dealing with the Lender or any Receiver shall be concerned to enquire whether any event has happened upon which any of the powers in this Deed are or may be exercisable or otherwise as to the propriety or regularity of any exercise of such powers or of any act purporting or intended to be an exercise of such powers or whether any amount remains secured by this Deed. All the protections to purchasers and persons dealing with receivers contained in sections 104, 107 and 109(4) of the LPA shall apply to any person purchasing from or dealing with the Lender or any such Receiver.

**15.2 Receipt: Conclusive Discharge**

The receipt of the Lender or any Receiver shall be a conclusive discharge to any purchaser of the Charged Assets.

**16. POWER OF ATTORNEY AND DELEGATION**

**16.1 Power of Attorney: General**

The Borrower hereby irrevocably and by way of security appoints the Lender and any Receiver severally to be its attorney in its name and on its behalf and as its act and deed:

16.1.1 to execute and deliver any documents or instruments which the Lender or such Receiver may require for perfecting the title of the Lender to the Charged Assets or for vesting the same in the Lender, its nominee or any purchaser;

16.1.2 to sign, execute, seal and deliver and otherwise perfect any further security document which the Borrower is required to enter into pursuant to this Deed; and

16.1.3 otherwise generally to sign, seal, execute and deliver all deeds, assurances, agreements and documents and to do all acts and things which may be required for the full exercise of all or any of the powers conferred on the Lender or any Receiver under this Deed or which the Borrower is required to do pursuant to this Deed or which may be deemed expedient by the Lender or a Receiver in connection with any preservation, disposition, realisation or getting in by the Lender or such Receiver of the Charged Assets or in connection with any other exercise of any other power under this Deed,

provided that the power of attorney granted in this Clause 16.1 shall only be exercisable (a) if a Default is continuing; (b) following the failure by the Borrower to comply with its obligations under this Deed; or (c) upon this Deed becoming enforceable

**16.2 Power of Attorney: Ratification**

The Borrower ratifies and confirms and agrees to ratify and confirm all acts and things which any attorney mentioned in this Clause 16 (*Power of Attorney and Delegation*) does or purports to do in exercise of the powers granted by this Clause.

**16.3 General Delegation**

The Lender and any Receiver shall have full power to delegate the powers, authorities and discretions conferred on it or him by this Deed (including the power of attorney) on such terms and conditions as it or he shall see fit which shall not preclude exercise of those powers, authorities or discretions by it or him or any revocation of the delegation or any subsequent delegation.

**17. APPLICATION OF MONIES RECEIVED UNDER THIS DEED**

Any monies received under the powers hereby conferred shall, subject to the repayment of any claims having priority to this Deed and to any applicable statutory requirement as to (i) the payment of preferential debts or (ii) the payment of unsecured creditors in accordance with section 176A of the Insolvency Act 1986, be applied for the following purposes and in the following order of priority:

- 17.1 in satisfaction of all costs, charges, expenses, payments and liabilities (including payments made in accordance with paragraphs (i), (ii) and (iii) of section 109(8) of the LPA) made or incurred by the Lender or the Receiver and of remuneration to the Receiver in such order as the Lender shall in its absolute discretion decide; and
- 17.2 in or towards satisfaction of the Secured Liabilities which shall be applied in such order as the Lender shall in its absolute discretion decide; and
- 17.3 the surplus, if any, shall be paid to the Borrower or other person or persons entitled to it, save that the Lender may credit any monies received under this Deed to a suspense account for so long and in such manner as the Lender may from time to time determine and the Receiver may retain the same for such period as he and the Lender consider appropriate.

18. **RELEASE OF SECURITY**

18.1 **Release**

At the end of the Security Period, the Lender shall, at the request and cost of the Borrower, execute (or procure the execution by its nominee) (in each case in a form acceptable to the Lender) and do all such deeds, acts and things as are necessary to release and/or reassign the Charged Assets from the security created by or in accordance with this Deed.

18.2 **Avoidance of Payments**

18.2.1 No amount paid, repaid or credited to a Secured Party shall be deemed to have been irrevocably paid if the Lender considers that the payment or credit of such amount is capable of being avoided or reduced because of any laws applicable on bankruptcy, insolvency, liquidation or any similar laws.

18.2.2 If any amount paid, repaid or credited to a Secured Party is avoided or reduced because of any laws applicable on bankruptcy, insolvency, liquidation or any similar laws then any release, discharge or settlement between that Secured Party and the Borrower shall be deemed not to have occurred and the Lender shall be entitled to enforce this Deed subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made.

19. **AMOUNTS PAYABLE**

All monies received or held by a Secured Party or a Receiver under this Deed in a currency other than the currency in which the Secured Liabilities are denominated may from time to time be sold for such one or more of the currencies in which the Secured Liabilities are denominated. The Borrower shall indemnify each Secured Party against the full cost (including all costs, charges and expenses) incurred in relation to such sale. No Secured Party or any Receiver shall have any liability to the Borrower in respect of any loss resulting from any fluctuation in exchange rates after any such sale.

20. **POWER OF SEVERANCE**

In the exercise of the powers conferred by this Deed, the Lender or any Receiver may sever and sell plant, machinery or other fixtures separately from the property to which they may be annexed and the Lender or any Receiver may apportion any rent or other amount without the consent of the Borrower.

21. **NEW ACCOUNTS**

If a Secured Party receives notice of any subsequent charge or other interest affecting any part of the Charged Assets (the date of receipt of such notice being the "**Notice Date**") it may, without prejudice to its rights under this Deed, open a fresh account or accounts with the Borrower and continue any existing account in the name of the Borrower and may appropriate to any such fresh account any monies paid in, received or realised for the credit of the Borrower after that time without being under any obligation to apply the same or any part of them in discharge of any of the Secured Liabilities. If a Secured Party fails to open a fresh account it will be deemed to have done so and any monies received or realised after the Notice Date will not reduce the Secured Liabilities outstanding on the Notice Date.

22. **MISCELLANEOUS**

22.1 **The Borrower**

This Deed is binding on the successors and assigns of the Borrower.



**22.2 Assignment and Transfer**

22.2.1 The Borrower may not assign any of its rights or transfer any of its rights or obligations under this Deed.

22.2.2 The Lender may assign and transfer all or any part of its rights and obligations under this Deed to a replacement Lender appointed pursuant to the terms of the Loan Agreement. Such replacement Lender will, from the date of such assignment or transfer, be the Lender for the Finance Parties under this Deed instead of the previous Lender.

**22.3 Property**

This Deed is and will remain the property of the Lender.

**22.4 Continuing Security**

This Deed shall be a continuing security and shall not be discharged by any intermediate payment or satisfaction of the whole or any part of the Secured Liabilities.

**22.5 Additional Security**

This Deed shall be in addition to and not be affected by any other security or guarantee now or hereafter held by a Secured Party for all or any part of the Secured Liabilities nor shall any such other security or guarantee of liability to a Secured Party of or by any person not a party to this Deed be in any way impaired or discharged by this Deed nor shall this Deed in any way impair or discharge such other security or guarantee.

**22.6 Variation of Security**

This Deed shall not in any way be affected or prejudiced by a Secured Party at any time dealing with, exchanging, releasing, varying or abstaining from perfecting or enforcing any security or guarantee referred to in Clause 22.5 (*Additional Security*) or any rights which a Secured Party may at any time have or giving time for payment or granting any indulgence or compounding with any person whatsoever.

**22.7 Enforcement of Other Security**

No Secured Party shall be obliged to enforce any other Security it may hold for the Secured Liabilities before enforcing any of its rights under this Deed.

**22.8 Redemption of Prior Incumbrances**

The Lender may redeem or take a transfer of any prior Security over the Charged Assets and may agree the accounts of prior incumbrancers. An agreed account shall be conclusive and binding on the Borrower. Any amount paid in connection with such redemption or transfer (including expenses) shall be paid on demand by the Borrower to the Lender and until such payment shall form part of the Secured Liabilities.

**23. GOVERNING LAW**

This Deed and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

**IN WITNESS** whereof this Deed has been duly executed and delivered as a deed on the date first above written.

**SCHEDULE 1 - REAL PROPERTY**

<b>Address</b>	<b>Tenure</b>	<b>Title number</b>
68 to 86 (even) Clapham Road, London SW7 0JJ	Freehold	SGL463448
The London Terminal Coach Station, 68 to 86 (even) Clapham Road, London	Freehold	368723

**SCHEDULE 2 - NOTICES**

**PART A1 - NOTICE TO ACCOUNT BANK**

[On the letterhead of the Borrower]

To: [Account Bank]

[Date]

Dear Sirs,

**Debenture dated [ ] between the Borrower  
and the Lender (the "Debenture")**

We hereby give you notice that under the Debenture we have charged (by way of a first fixed charge) in favour of Espalier Ventures Limited (the "**Lender**") all our rights in respect of any amount standing to the credit of any account maintained by us with you (the "**Accounts**").

We irrevocably instruct and authorise you to:

- (a) disclose to the Lender any information relating to any Account requested from you by the Lender;
- (b) comply with the terms of any written notice or instruction relating to any Account received by you from the Lender;
- (c) pay or release any sum standing to the credit of any Account in accordance with the written instructions of the Lender; and
- (d) not to permit any amount to be withdrawn from the Account if the Lender notifies you that the Debenture is enforceable.

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 Lender.

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 Lender at [insert address], Attention: [ ] with a copy to us.

Yours faithfully,

.....

(Authorised signatory)

[the Borrower]

**PART A2 - ACKNOWLEDGEMENT OF ACCOUNT BANK**

[On the letterhead of the Account Bank]

To: [the Lender]

Attention: [ ]

Copy: [the Borrower]

[Date]

Dear Sirs,

**Debenture dated [ ] between the Borrower  
and the Lender (the "Debenture")**

We confirm receipt from [name of the Borrower] (the "**Borrower**") of a notice dated [ ] of a charge upon the terms of the Debenture over all the rights of the Borrower to any amount standing to the credit of any of the Borrower 's accounts with us (the "**Accounts**").

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 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 not permit any amount to be withdrawn from any Account without your prior written consent if you notify us that the Debenture has become enforceable.

The Accounts maintained with us are:

[Account: [Sort Code [ ], Account No. [ ]]]

We confirm that the above are the Borrower's only accounts with us.

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

Yours faithfully,

.....  
(Authorised signatory)

[Account Bank]

**PART B1 - NOTICE TO RELEVANT CONTRACTING PARTY IN RELATION TO THE ASSIGNED AGREEMENTS**

[On the letterhead of the Borrower]

To: [Relevant Contracting Party]

[Date]

Dear Sirs,

Re: [Property]

**Debenture dated [ ] between the Borrower  
and the Lender (the "Debenture")**

We refer to the [description of relevant Assigned Agreement] dated [ ] and made between [ ] and [ ] (the "**Assigned Contract**").

This letter constitutes notice to you that under the Debenture we assigned in favour of [ ] (the "**Lender**") all our rights, title and interest in the Assigned Contract.

We irrevocably instruct and authorise you:

- (a) to pay any amount payable by you under the Assigned Contract to our account at [ ], Account No. [ ], Sort Code [ ] (the "**Account**");
- (b) notwithstanding the assignment referred to above or the making of any payment by you to the Lender pursuant to it, we shall remain liable under the Assigned Contract to perform all of the obligations assumed by us under the Assigned Contract and neither the Lender nor any receiver, delegate or sub-delegate appointed by it shall at any time be under any obligation or liability to you under or in respect of the Assigned Contract;
- (c) we shall not and you agree that we shall not vary or waive (or agree to vary or waive) any provision of the Assigned Contract or exercise any right to rescind or terminate the Assigned Contract without the prior written consent of the Lender but otherwise we shall be entitled to exercise all our rights, powers and discretions under the Assigned Contract until you receive written notice from the Lender to the contrary, in which event all rights, powers and discretions shall be exercisable by the Lender or as it directs; and
- (d) unless otherwise directed by the Lender, you shall furnish or disclose to the Lender in addition to us all notices, matters or things required under the Assigned Contract to be furnished or disclosed to us and all such information as it may require from time to time in connection with the Assigned Contract, without further authority from us and without any obligation by you to enquire as to the purpose or justification for such disclosure.

The instructions in this letter apply until you receive notice from the Lender to the contrary and notwithstanding any previous instructions given by us.

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

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 signing the attached acknowledgement and returning it to the Lender at [ ], Attention: [ ].

Yours faithfully,

For

[Borrower]

**PART B2 - ACKNOWLEDGEMENT OF RELEVANT CONTRACTING PARTY**

To: [the Lender]

Attention: [ ]

[Date]

Dear Sirs,

Re: [Property]

**Debenture dated [ ] between the Borrower  
and the Lender (the "Debenture")**

We confirm receipt from [name of the Borrower] (the "Borrower") of a notice dated [ ] (the "Notice") in relation to the Assigned Contract (as defined in the Notice).

We accept the instructions contained in the Notice.

We confirm that we:

- (a) have not received any notice that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Borrower under or in respect of the Assigned Contract (as defined in the Notice);
- (b) must pay all monies payable by us under the Assigned Contract into the Account (as defined in the Notice); and
- (c) must continue to pay those monies into the Account until we receive your written instructions to the contrary.

We further undertake that we will not exercise any right to rescind or terminate the Assigned Contract without giving at least 30 days prior written notice (a "Termination Notice") to you that such right has arisen and further agree that if the Borrower or the Lender or any person on its behalf remedies the event or circumstances giving rise to such right within 10 days of receipt of that Termination Notice, we will no longer be entitled to exercise that right and we will continue to perform our obligations under the Assigned Contract as if such right had not arisen.

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

Yours faithfully,

.....

For

[ ]

**PART C1 - NOTICE TO INSURER**

[On the letterhead of the Borrower]

To: [Insurer]

[Date]

Dear Sirs,

**Debenture dated [ ] between the Borrower and the Lender (the "Debenture")**

We hereby give you notice that under the Debenture we assigned to [ ] (the "Lender") all our rights to and title and interest from time to time in, to and under insurance policy number[s] [•] effected by us or whomsoever in relation to *[insert property address and details]* (including all moneys payable thereunder, proceeds of all claims, awards and judgments) and all other insurances entered into supplemental to or in replacement of such policy[ies] of insurance (the "Policy[ies]").

We irrevocably instruct and authorise you to pay all payments in excess of £[ ] under or arising under the Policy[ies] to the account called [Borrower – Account], at [Bank], account number [•] sort code [•], except to the extent that such sums are required by the basis of settlement under any Policy or under any lease agreement covered by such Policy to be applied in replacing, restoring or reinstating the relevant property, and also excluding any monies received under any liability Policy which are required to satisfy any of our established liabilities. It is very important that you make all immediate arrangements for all such sums payable by you under the Policy[ies] to be paid to this account.

Please note that:

1. all remedies provided for under the Policy[ies] or available at law or in equity are exercisable by the Lender;
2. all rights to compel performance of the Policy[ies] are exercisable by the Lender; and
3. all rights, interests and benefits whatsoever accruing to or for our benefit arising under the Policy[ies] belong to the Lender.

We will remain liable to perform all our obligations under the Policy[ies] and the Lender is under no obligation of any kind whatsoever under the Policy[ies] nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Policy[ies].

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

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 signing the attached acknowledgement and returning it to the Lender at [ ], Attention [ ].

Yours faithfully,

.....

(Authorised signatory)

[the Borrower]

**PART C2 - ACKNOWLEDGEMENT OF INSURER**

To: [Lender]

Attention: [ ]

[Date]

Dear Sirs,

**Debenture dated [ ] between the Borrower and the Lender (the "Debenture")**

We confirm receipt from [name of Borrower] (the "**Borrower**") of a notice dated [•] of an assignment upon the terms of the Debenture to [ ] (the "**Lender**") of the Borrower's right, interests and benefit in, to and under the Policy[ies] (as specified in that notice) to which we are a party.

We confirm that we have not received notice of any other assignment or charge of or over any of the rights, title and interests specified in such notice and will make all payments in excess of £[ ] in accordance with the terms of the notice to the account specified in that notice excluding for the avoidance of doubt such sums as are required by the basis of settlement under any Policy or under any lease agreement covered by such Policy to be applied in replacing, restoring or reinstating the relevant property, and also excluding any monies received under any liability Policy which are required to satisfy any of the Borrower's established liabilities.

We further confirm that:

1. no amendment, waiver or release of any such rights, interests and benefits will be effective without the prior written consent of the Lender;
2. no termination of such rights, interests or benefits will be effective unless we have given the Lender at least 30 days' written notice of the proposed termination and specifying the action necessary to avoid such termination;
3. the Borrower will remain liable to perform all of its obligations under the Policy[ies] and the Lender is under no obligation of any kind whatsoever under the Policy[ies] nor under any liability whatsoever in the event of any failure by the Borrower to perform its obligations under the Policy[ies]; and
4. as the Lender is named as composite insured, no breach or default on the part of the Borrower of any of the terms of such Policy[ies] will be deemed to have occurred unless we have given notice of such breach to the Lender specifying how to make good such breach.

We unconditionally and irrevocably waive all rights of set-off, lien, counter-claim and other similar rights (however described) which we may have now or in the future to the extent that such rights relate to amounts owed to us by the Borrower (and the proceeds thereof) and we will send you copies of all statements, orders and notices given by us relating to such debt.

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

Yours faithfully,

.....

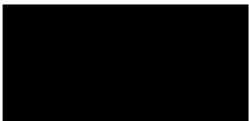
(Authorised signatory)

[Insurer]



The Borrower

EXECUTED AS A DEED by )  
Espalier Property Ventures (Clapham) )  
Ltd )  
acting by DAWN DUFFY )  
in the presence of: )



Signature of witness



Name of witness  
(in BLOCK CAPITALS)  
  
DANIEL FEDERER  
.....

Address of witness



.....

The Lender

EXECUTED AS A DEED by )  
Espalier Ventures Limited )  
 )  
 )  
acting by VIREN GUPTA )  
 )  
in the presence of: )



Director

Signature of witness



Name of witness

(in BLOCK CAPITALS)

DANIEL FEDERER  
.....

Address of witness



.....