



Registration of a Charge

Company name: **GH HOLDINGS 2 LIMITED**

Company number: **09627840**



X98DIIAG

Received for Electronic Filing: **01/07/2020**

Details of Charge

Date of creation: **22/06/2020**

Charge code: **0962 7840 0005**

Persons entitled: **HSBC UK BANK PLC**

Brief description:

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 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: **TRISTAN DOLLIE**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9627840

Charge code: 0962 7840 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd June 2020 and created by GH HOLDINGS 2 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st July 2020 .

Given at Companies House, Cardiff on 2nd July 2020

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**

We certify this document as a true copy of the original:

Ende Sutherland

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Date: 23 June 2020

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EXECUTION VERSION

Dated: 22 June 2020

- (1) **GH HOLDINGS 2 LIMITED** as Company
- (2) **GLENEAGLES HOTELS LIMITED** as Borrower
- (3) **HSBC UK BANK PLC** as Security Agent

Subordinated Creditor's Security Agreement

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This Deed is made on

22 June

2020 between:

- (1) **GH HOLDINGS 2 LIMITED**, a company incorporated in England and Wales (registered number 09627840) and whose registered office is at Ennismore Sessions House, 23 Clerkenwell Green, London, England EC1R 0NA, in its capacity as subordinated creditor (the "**Company**");
- (2) **GLENEAGLES HOTELS LIMITED**, registered in Scotland (registered number SC097000) at Gleneagles Hotel, Auchterarder, Perthshire, PH3 1NF (the "**Borrower**"); and
- (3) **HSBC UK BANK PLC** as security trustee for the Secured Parties appointed under the Facility Agreement (the "**Security Agent**").

BACKGROUND

- (A) We refer to a Facility Agreement dated 21 February 2017 between, amongst others, the Borrower and the Security Agent which was amended and restated on 3 December 2019 and which is to be further amended and restated by means of an Amendment and Restatement Deed dated on or around the date of this Deed (the "**Facility Agreement**").
- (B) By order of the High Court, on 21 May 2018 HSBC Bank plc transferred part of its banking business to HSBC UK Bank plc with effect from 1 July 2018. This transfer was effected by a statutory ring fencing transfer scheme under Part VII of the Financial Services and Markets Act 2000.
- (C) This Deed is supplemental to:
 - i. the Subordinated Creditor's Security Agreement entered into between the Company, the Borrower, and the Security Agent on 21 February 2017 (the "**2017 Subordinated Creditor's Security Agreement**"); and
 - ii. the Subordinated Creditor's Security Agreement entered into between the Company, the Borrower, and the Security Agent on 3 December 2019 (the "**2019 Subordinated Creditor's Security Agreement**"),

the 2017 Subordinated Creditor's Security Agreement and the 2019 Subordinated Creditor's Security Agreement together being the "**Existing Security Documents**".

1. INTERPRETATION

1.1 Definitions

In this Deed:

"Acceleration Event" means the Agent exercising any of its rights under clause 23.19 (*Acceleration*) of the Facility Agreement.

"Assigned Debts" means all present and future liabilities and obligations at any time due owing or incurred by the Borrower to the Company, whether under a Subordinated Debt Document or otherwise, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity.

"Associated Benefits" means, in respect of any Assigned Debt:

- (a) all monies, including (where relevant) all rent, dividends, distributions, profits, compensation, damages, income or interest paid or payable relating to that asset; and
- (b) all Authorisations, rights, benefits, claims, or property at any time including any claim for damages or restitution in connection with the Assigned Debts, any claim relating to a recovery by the Borrower of any payment in respect of the Assigned Debts on the grounds of preference or otherwise and any amounts (including post

insolvency interest) which would be included in the above but for any discharge, non-provability or unenforceability of the same in any insolvency or other proceedings.

"Event of Default" has the meaning given to that term in the Facility Agreement.

"Finance Document" has the meaning given to that term in the Facility Agreement.

"Finance Party" means the Agent, the Security Agent, the Arranger, a Hedge Counterparty or a Lender.

"Insolvency Act" means the Insolvency Act 1986.

"LPA" means the Law of Property Act 1925.

"Receiver" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Secured Property.

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

"Secured Parties" means the Security Agent, any Receiver or Delegate, and each Finance Party.

"Secured Property" means the assets of the Company which from time to time are, or are expressed to be, the subject of any Security created by this Deed.

"Subordinated Debt Document" means any English law governed document, agreement or instrument evidencing or recording any Assigned Debts.

1.2 Construction

1.2.1 Unless a contrary indication appears in this Deed:

- 1.2.1.1 terms defined in the Facility Agreement have the same meaning in this Deed;
- 1.2.1.2 the provisions of clause 1.2 (*Construction*) (with the exception of clause 1.2.4) of the Facility Agreement apply to this Deed as if set out in full in this Deed except that references to the Facility Agreement shall be construed as references to this Deed; and
- 1.2.1.3 all provisions in the Facility Agreement that are deemed to apply to the Finance Documents apply to this Deed as if set out in full in this Deed.

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

- 1.2.2.1 any asset includes present and future properties, revenues and rights of every description, all proceeds of sale of such asset, all rights under any agreement for the sale, lease or licence of such asset and any monies paid or payable in respect of such asset;
- 1.2.2.2 a **"Finance Document"** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as validly amended, novated, supplemented, extended, restated or replaced from time to time;
- 1.2.2.3 an **"account"** is a reference to that account as re-designated, renumbered, substituted or replaced from time to time.

- 1.2.3 Where this Deed includes the words "**including**", "**in particular**" or "**or otherwise**" (or similar words or phrases), the intention is to state examples and not to be exhaustive.
- 1.2.4 References to any Security "**created by this Deed**" are to be deemed to include such Security created or intended to be created, constituted, given, made or extended by, under or evidenced by this Deed.
- 1.2.5 The parties intend this Deed to be delivered on the first date specified on page 1 of this Deed and that this Deed take effect as a deed notwithstanding the fact that the Security Agent may only execute this document under hand.

1.3 **Third party rights**

- 1.3.1 Unless expressly provided to the contrary in this Deed, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.
- 1.3.2 Notwithstanding any term of this Deed, the consent of any person who is not a party to this Deed is not required to rescind or vary this Deed at any time.
- 1.3.3 Any Receiver, Delegate or any person described in clause 27.11.1 (*Exclusion of liability*) of the Facility Agreement may, subject to this Clause 1.3 and the Third Parties Act, rely on any clause of this Deed which expressly confers rights on it.

2. **COVENANT TO PAY**

- 2.1 The Company, as principal debtor and not just as surety, covenants with the Security Agent to pay or discharge the Secured Liabilities in the manner provided for in the Finance Documents.
- 2.2 Notwithstanding any other provision of the Finance Documents (including clause 2.1 above), it is expressly agreed and understood that:
 - 2.2.1 the sole recourse of the Security Agent (and the Secured Parties) to the Company under this Deed is to the Company's interest in the Secured Property; and
 - 2.2.2 the liability of the Company to the Security Agent (and the Secured Parties) pursuant to or otherwise in connection with the Finance Documents shall be:
 - 2.2.2.1 limited in aggregate to an amount equal to that recovered as a result of enforcement of this Agreement with respect to the Secured Property; and

satisfied only from the proceeds of sale or other disposal or realisation of the Secured Property pursuant to this Deed.

3. **GRANT OF SECURITY**

3.1 **Assignment**

The Company assigns by way of security:

- 3.1.1 all the Assigned Debts; and
- 3.1.2 all the Subordinated Debt Documents;

in each case together with all Associated Benefits relating to such Secured Property.

3.2 **Fixed charge**

The Company charges by way of first fixed charge (save to the extent effectively assigned under Clause 3.1 (*Assignment*)):

- 3.2.1 all the Assigned Debts;
- 3.2.2 all the Subordinated Debt Documents; and
- 3.2.3 all Associated Benefits relating to the Secured Property.

3.3 **General**

All Security created by this Deed:

- 3.3.1 is created in favour of the Security Agent, as security trustee for the Secured Parties;
- 3.3.2 unless specifically stated otherwise, is created over the present and future assets of the Company to the extent of its rights, title and interest in, under and to such assets at any time; and
- 3.3.3 is created with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

3.4 **Continuing security**

The Security created by this Deed is continuing security for the payment and discharge of the Secured Liabilities. The provisions of this Deed will apply at all times:

- 3.4.1 regardless of the date on which any of the Secured Liabilities were incurred;
- 3.4.2 notwithstanding any intermediate payment or discharge; and
- 3.4.3 in respect of the full amount of the Secured Liabilities at the relevant time even if the amount of the Secured Liabilities had previously been less than that amount or had been nil at any time.

3.5 **Additional Security**

The Security created by this Deed is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Secured Party. No prior Security held by the Security Agent or any Secured Party over the whole or any of the Secured Property will merge with the Security created by this Deed.

4. **REPRESENTATIONS**

The Company makes the representations contained in this Clause 4 to the Security Agent on the date of this Deed.

4.1 **Status**

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

4.2 **Binding obligations**

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

4.3 **Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not conflict with:

- 4.3.1 any law or regulation applicable to it;
- 4.3.2 its constitutional documents; or
- 4.3.3 any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument, in each case to the extent that such default or termination event has or is reasonably likely to have a Material Adverse Effect.

4.4 Power and authority

- 4.4.1 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.
- 4.4.2 No limit on its powers will be exceeded as a result of the entry into of this Deed.

4.5 Validity and admissibility in evidence

All Authorisations required or desirable:

- 4.5.1 to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Deed; and
- 4.5.2 to make this Deed admissible in evidence in its jurisdiction of incorporation, have been obtained or effected and are in full force and effect.

4.6 Governing law and enforcement

- 4.6.1 Subject to the Legal Reservations, the choice of English law as the governing law of this Deed will be recognised and enforced in its Original Jurisdiction.
- 4.6.2 Subject to the Legal Reservations, any judgment obtained in England and Wales in relation to this Deed will be recognised and enforced in its Original Jurisdiction.

4.7 No filing or stamp taxes

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

4.8 Ownership of and title to Secured Property

Other than as provided in the Existing Security Documents, it is the sole legal and beneficial owner of the Secured Property free from any Security. It has good, valid and marketable title to the Secured Property.

4.9 Centre of main interests and establishments

For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the "**Regulation**"), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in the united Kingdom and it has no "establishment" (as that term is used in Article 2(h) of the Regulations) in any other jurisdiction.

4.10 Ranking of Security

The Security created by this Deed constitutes a first priority security interest of the type described, over the Secured Property, and the Secured Property is not subject to any prior or *pari passu* Security.

4.11 Repetition

Each of the representations and warranties set out in Clauses 4.1 (*Status*) to 4.6 (*Governing law and enforcement*) (inclusive) and Clauses 4.8 (*Ownership of and title to the Secured Property*) to 4.10 (*Ranking of Security*) (inclusive) are deemed to be made by the Company by reference to the facts and circumstances then existing on the date of each Utilisation Request, on each Utilisation Date and on the first day of each Interest Period.

5. UNDERTAKINGS

5.1 Negative pledge

5.1.1 The Company shall not (and shall not agree to):

5.1.1.1 create or permit to subsist any Security over;

5.1.1.2 sell, assign, factor, discount, transfer, lease, release, terminate or otherwise dispose of any;

5.1.1.3 permit any variation, waiver or termination of the rights attaching to the whole or any part of; or

5.1.1.4 enter into any agreements, deeds or documents in connection with,

5.1.2 the Secured Property (or any rights or obligations in relation to the Secured Property) except as expressly permitted under the Facility Agreement.

5.2 Dealings with the Secured Property

The Company shall:

5.2.1 not do or omit to do anything, or allow anything to be done or omitted, which may materially adversely affect the Security created by this Deed or the priority of its ranking as expressed in this Deed;

5.2.2 observe and perform all covenants and stipulations from time to time on its part to be performed or observed and affecting any of the Secured Property;

5.2.3 promptly deposit with the Security Agent all deeds, documents of title (or documents evidencing title or the right to title) and agreements relating to the Secured Property and any other deeds or documents necessary or desirable to assist the Security Agent to enforce this Deed; and

5.2.4 supply promptly to the Security Agent, such information in relation to the Secured Property as the Security Agent may request and all documents dispatched by the Borrower to it in connection with the Assigned Debts.

5.3 Subordinated Debt Documents

5.3.1 The Company may not, without the prior written consent of the Security Agent, amend (save for amendments which are not prejudicial to the Secured Parties where a copy of such proposed amendments will be provided to the Security Agent in advance of implementation), waive, release or terminate all or any part of any Subordinated Debt Document (or agree to do any of the same).

- 5.3.2 The Security Agent will not unreasonably withhold or delay its consent in relation to an amendment to a Subordinated Debt Document in circumstances where such amendment would not adversely affect the interests of the Secured Parties.

5.4 **Notice of assignment to the Borrower**

- 5.4.1 The Company notifies the Borrower that:

- 5.4.1.1 by this Deed it has assigned to the Security Agent by way of security all of its present and future rights, title and interest in, under and to the Assigned Debts and the Subordinated Debt Documents;
- 5.4.1.2 subject to Clause 5.2 (*Dealings with Secured Property*) and Clause 5.3 (*Subordinated Debt Documents*), it may continue to deal with the Borrower in relation to the Subordinated Debt Documents until the security created by this Deed is enforceable and the Borrower receives written notice to the contrary from the Security Agent;
- 5.4.1.3 after receipt of notice from the Security Agent under Clause 5.4.1.2, the Borrower must deal directly with or only upon the written instructions of the Security Agent in relation to the Subordinated Debt Documents;
- 5.4.1.4 the Borrower may disclose such information and give such acknowledgements and undertakings relating to the Subordinated Debt Documents as the Security Agent may from time to time request; and
- 5.4.1.5 the provisions of this Clause 5.4.1 may only be revoked with the written consent of the Security Agent.

- 5.4.2 By executing this Deed, the Borrower acknowledges the notice of assignment in Clause 5.4.1 and undertakes to comply with the terms of that notice and of this Deed.

- 5.4.3 The Borrower confirms that it has not received notice of any previous assignment of or charge over the Subordinated Debt Documents and agrees promptly to notify the Security Agent if it receives any such notice in the future.

- 5.4.4 The Borrower agrees that it will not claim or exercise any right of set-off or counterclaim or any other similar right in relation to amounts payable in connection with the Subordinated Debt Documents.

5.5 **Further assurance**

The Company shall promptly take all such actions, including executing all such documents, notices and instructions in such form as the Security Agent may reasonably require:

- 5.5.1 to create, perfect, protect and (if necessary) maintain the Security created or intended to be created over any of its assets under this Deed or for the exercise of any rights, powers and remedies of the Secured Parties provided by or under this Deed or by law or regulation; and/or
- 5.5.2 to facilitate the realisation of the assets which are, or are intended to be, the subject of Security created by this Deed.

5.6 **Power to remedy**

If the Company fails to comply with any of its obligations under this Deed, the Security Agent (or its nominee) may (at the Company's expense) take such action as is necessary to protect the Secured Property against the consequences of the Company's non-

compliance and to ensure compliance with such obligations. The Security Agent is not obliged to perform any obligation of the Company or to take any action which it may be entitled to take under this Deed.

5.7 Power of attorney

- 5.7.1 As security for the performance of its obligations under this Deed, the Company irrevocably appoints the Security Agent, each Receiver and each Delegate to be its attorney, with full power of substitution.
- 5.7.2 The attorney may, in the name of the Company and on its behalf and at its expense, do anything which the Company is obliged to do under this Deed but has failed to do following receipt of written notice from the Security Agent.
- 5.7.3 The appointment detailed in Clause 5.7.1 above shall become enforceable only on the occurrence of an Event of Default which is continuing or where the Security Agent has requested the Company to do something which it is required to do pursuant to the terms of this Deed and the Company failed to do so.
- 5.7.4 The Company ratifies and confirms anything done by any attorney under this Clause 5.7. The Company agrees to indemnify the attorney against all actions, claims, demands and proceedings taken or made against it and all reasonable costs, damages, expenses, liabilities and losses properly incurred by the attorney as a result of or in connection with anything lawfully done by it under or in connection with this power of attorney.

6. RIGHTS OF ENFORCEMENT

6.1 Secured Liabilities deemed payable

For the purposes of all rights and powers implied by statute, the Secured Liabilities are deemed to be due and payable on the date of this Deed.

6.2 When Security enforceable

The Security created by this Deed is enforceable at any time after the occurrence of an Acceleration Event.

6.3 Enforcement powers

At any time (a) when the Security created by this Deed is enforceable or (b) following a request by the Company, the Security Agent may, without further notice:

- 6.3.1 appoint one or more persons to be a Receiver of all or any part of the Secured Property;
- 6.3.2 exercise any of the powers, authorities and discretions conferred on mortgagees, administrators or receivers under the LPA, the Insolvency Act, any other legislation or regulation or under this Deed; and
- 6.3.3 take such further action as it sees fit to enforce all or any part of the Security created by Deed.

6.4 Rights in relation to a Receiver

The Security Agent may remove any Receiver appointed under this Deed, appoint another person as Receiver or appoint additional Receivers. Each Receiver will be the agent of the Company who alone will be responsible for the acts and defaults of the Receiver and for any liabilities incurred by the Receiver. The Security Agent may fix the remuneration of a Receiver which will be payable by the Company and form part of the Secured Liabilities.

6.5 Redemption of prior Security

Where there is any Security created over all or any part of the Secured Property which ranks in priority to the Security created by this Deed and:

6.5.1 the Security created by this Deed becomes enforceable; and

6.5.2 the holder of such other Security takes any steps to enforce that Security,

the Security Agent or any Receiver may, at its sole discretion and at the cost and expense of the Company, redeem, take a transfer of or repay the indebtedness secured by, such other Security. All amounts paid by the Security Agent or a Receiver under this Clause will form part of the Secured Liabilities.

6.6 Appropriation of payments

Any appropriation by the Security Agent or a Receiver under this Deed will override any appropriation by the Company.

7. POWERS OF A RECEIVER

7.1 General powers

Any Receiver will have:

7.1.1 the rights, powers, privileges and immunities conferred on receivers, receivers and managers and mortgagees in possession under the LPA;

7.1.2 the rights, powers, privileges and immunities conferred on administrative receivers (whether or not that Receiver is an administrative receiver) under the Insolvency Act; and

7.1.3 all other rights, powers, privileges and immunities conferred by law or regulation on receivers, receivers and managers, mortgagees in possession and administrative receivers.

7.2 Specific powers

The rights, powers and remedies provided in this Deed are in addition to any rights, powers and remedies under law or regulation. Any Receiver will have the following additional powers:

7.2.1 the power to do or omit to do anything which the Company could do or omit to do in relation to the Secured Property which is the subject of the appointment;

7.2.2 the power to do all other acts and things which the Receiver may consider desirable or necessary for realising all or any of the Secured Property or incidental or conducive to any of the rights, powers and discretions conferred on a Receiver under this Deed or by law or regulation; and

7.2.3 the power to use the Company's name for all the above purposes.

7.3 Variation of statutory powers

The following statutory provisions do not apply to this Deed or any Security created by this Deed:

7.3.1 the conditions to the exercise of a power of sale in section 103 LPA;

7.3.2 the restrictions on the application of proceeds by a mortgagee or receiver in sections 105, 107(2) and 109(8) LPA; and

7.3.3 the restrictions on the appointment of a receiver in section 109(1) LPA and the provisions regarding a receiver's remuneration in section 109(6) LPA.

8. APPLICATION OF PROCEEDS

8.1 Order of priority

All amounts received by the Security Agent or a Receiver in connection with the enforcement of the Security created under this Deed will be applied, to the extent permitted by applicable law, in accordance with the provisions of the Facility Agreement.

8.2 Suspense account

The Security Agent may credit any monies at any time received or realised under this Deed to an interest-bearing suspense account, for so long and on such terms as the Security Agent may determine pending their application towards discharging the Secured Liabilities.

8.3 New accounts

If a Secured Party receives or is deemed to have received notice of subsequent Security over the Secured Property, then each Secured Party may open a new account with the Company. If a Secured Party does not open a new account, it will be treated as having done so at the time when such notice was received and as from that time all payments made by or on behalf of the Company to that Secured Party will be credited or be treated as having been credited to the relevant new account and not as having been applied in discharge of the Secured Liabilities.

9. PROTECTION OF THIRD PARTIES

9.1 No buyer from, or other person dealing with the Security Agent or a Receiver, will be concerned to enquire whether:

- 9.1.1 any money remains due under the Finance Documents;
- 9.1.2 any power which the Security Agent or Receiver is purporting to exercise has arisen or become exercisable; or
- 9.1.3 the Security Agent or any Receiver is validly appointed and acting within its powers in accordance with this Deed.

9.2 The receipt of the Security Agent, any Receiver or any Delegate will be an absolute and conclusive discharge to a purchaser of any of the Secured Property who will have no obligation to enquire how any monies are applied.

10. PROTECTION OF SECURITY AGENT

10.1 No Secured Party will be liable to account to the Company as mortgagee in possession by reason of entering into possession of any of the Secured Property, nor for any cost, loss or liability for which a mortgagee in possession might be liable.

10.2 Each Secured Party is entitled to exercise its rights, powers and discretions under this Deed in accordance with the terms of the Finance Documents and the Company has no right to control or restrict the any Secured Party's exercise of any of its rights, powers or discretions under this Deed.

11. PROTECTION OF PAYMENTS

11.1 Reinstatement

If, at any time, there has been a release, settlement or discharge of any of the Company's obligations under this Deed and, as a consequence of any insolvency (or analogous) proceedings or for any other reason:

- 11.1.1 any payment made to any person in respect of any of the Secured Liabilities is required to be repaid; and

- 11.1.2 any Security (or other right) held by the Secured Parties in respect of any of the Secured Liabilities (whether under this Deed or otherwise) is declared void, is set aside or is otherwise affected,

then the Company's obligations under this Deed will continue in effect as if there had been no such release, settlement or discharge and as if the relevant payment had not been made and (as applicable) the relevant obligation or security (or other right) had not been so affected; and accordingly (but without limiting the Secured Parties' other rights under this Deed) the Security Agent will be entitled to recover from the Company the value which the Security Agent has placed upon such Security (or other right) or the amount of any such payment as if such release, settlement or discharge had not occurred.

11.2 Avoidable payments

If the Security Agent, acting reasonably, considers that any amount paid by the Company in respect of the Secured Liabilities is capable of being avoided, set aside or ordered to be refunded or reduced for any reason, then for the purposes of this Deed such amount will not be considered to have been irrevocably paid.

11.3 Release of Secured Property

If the Security Agent is satisfied that all the Secured Liabilities have (subject to Clauses 11.1 and 11.2) been unconditionally and irrevocably paid and discharged in full and all relevant commitments of the Secured Parties cancelled, the Security Agent will, at the request and cost of the Company, execute such documents and take such steps as may be necessary to release the Secured Property from the Security created by this Deed.

12. CHANGES TO THE PARTIES

12.1 No assignment by Company or the Borrower

Neither the Company nor the Borrower may assign any of its rights or transfer any of its rights or obligations under this Deed.

12.2 Assignment by Security Agent

The Security Agent may assign any of its rights or transfer any of its rights or obligations under this Deed in accordance with the terms of the Facility Agreement.

13. NOTICES

13.1 Communications

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

13.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party to this Deed for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name below or any substitute address or fax number or department or officer as the party to this Deed may notify to the Security Agent (or the Security Agent may notify to the other parties to this Deed, if a change is made by the Security Agent) by not less than five Business Days' notice.

13.3 Delivery

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

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

13.3.1.2 if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under Clause 13.2 (*Addresses*), if addressed to that department or officer.

13.3.2 Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's signature below (or any substitute department or officer as the Security Agent shall specify for this purpose).

13.3.3 Any communication or document which becomes effective, in accordance with Clauses 13.3.1 and 13.3.2, after 5:00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

13.4 **English language**

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

14. **COUNTERPARTS**

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

15. **GOVERNING LAW**

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

16. **ENFORCEMENT**

16.1 **Jurisdiction**

16.1.1 The courts of England and Wales have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) and any non-contractual obligations arising out of or in connection with it (a "**Dispute**").

16.1.2 The parties agree that the courts of England and Wales are the most appropriate and convenient courts to settle any Dispute and accordingly no party to this Deed may argue to the contrary.

16.1.3 Clause 16.1.1 is for the benefit of the Secured Parties only. As a result, no Secured Party will be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, each Secured Party may take concurrent proceedings in any number of jurisdictions.

This Deed is executed as a deed and delivered on the date stated at the beginning of this Deed.

EXECUTION

The Company

Executed as a deed by
GH HOLDINGS 2 LIMITED
acting by, a director



in the presence of:

Witness Signature:



Communications to be delivered to:

Address: Ennismore Sessions House, 23
Clerkenwell Green, London, England, EC1R
0NA

Fax number:

Attention: The Finance Director

With copy to Ennismore International
Management Limited, Hox House, 159 St.
John's Street, London EC1V 4QJ

Attention: The Chief Financial Officer

Witness Name: *MORVINE AYABUKIYA*

Witness Address:



Witness Occupation:



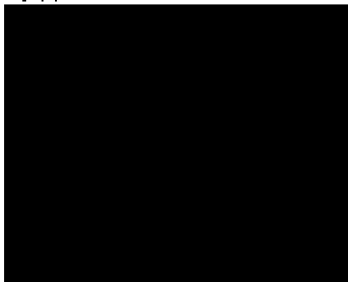
The Borrower

Executed as a deed by
GLENEAGLES HOTELS LIMITED,
acting by one director in the presence of:

Witness signature:

Name:

Conor O'Leary



)
)
)

.....
Director
Name:

DAVID KEMP

Communications to be delivered to:

Address:

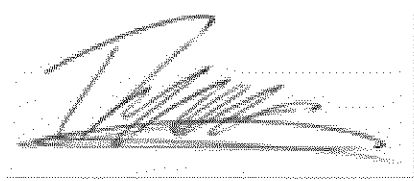
Gleneagles Hotel, Auchterarder, Perthshire
PH3 1NF

Fax number:

Attention: The Finance Director

The Security Agent

SIGNED for and on behalf of

A handwritten signature in black ink, appearing to read 'Dino Unni', is written over a dotted rectangular box. The signature is stylized with a large initial 'D' and a long horizontal stroke at the end.

HSBC UK BANK PLC

Communications to the Security Agent are to be delivered to:

Address: HSBC UK Bank plc, London Commercial Banking Centre, Level 6, 71 Queen Victoria Street,
London EC4V 4AY

For the attention of: Dino Unni