



**Registration of a Charge**

Company name: **THAT BOURNEMOUTH STREET BAR LIMITED**

Company number: **10866121**

Received for Electronic Filing: **10/01/2019**



X7WUE0PF

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**Details of Charge**

Date of creation: **04/01/2019**

Charge code: **1086 6121 0002**

Persons entitled: **HSBC BANK PLC**

Brief description:

**Contains fixed charge(s).**

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

**Contains negative pledge.**

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**Authentication of Form**

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

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**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:

**PINSENT MASONS LLP**



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

Company number: 10866121

Charge code: 1086 6121 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 4th January 2019 and created by THAT BOURNEMOUTH STREET BAR LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 10th January 2019 .

Given at Companies House, Cardiff on 14th January 2019

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

DATED

4 January 2019

(1) THAT BOURNEMOUTH BIG HOTEL LIMITED  
AND OTHERS

and

(2) HSBC BANK PLC

DEBENTURE

HSBC 

HSBC Bank plc  
8 Canada Square

London

E14 5HQ

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THIS DEED is made on

4 January 2019

BETWEEN:-

- (1) THE COMPANIES listed in Schedule 1 (*The Chargors*) as chargors (each a "Chargor" and together the "Chargors");
- (2) HSBC BANK PLC (the "Hedging Counterparty")

IT IS AGREED as follows:-

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Debenture:-

"Account"

means any account now or at any time (and from time to time) opened, owned, operated, held or maintained by the Chargor (or in which the Chargor has an interest) at any bank or financial institution in any jurisdiction (and shall include any addition to or renewals, replacement, redesignation, subdivision, substitution or sub-account of that account) and all moneys from time to time standing to the credit (including any interest thereon) of such accounts

"Account Balance"

means in respect of any Account, all monies standing to the credit of that Account and:

- (a) all interest at any time accrued or accruing on such monies
- (b) all investments at any time made out of such monies or account and
- (c) all rights to repayment of any of the same

"Affiliate"

means a Subsidiary of a company, a Holding Company of that company or any other Subsidiary of that Holding Company

"Assigned Accounts"

means:-

- (a) each of the Accounts specified as Assigned Accounts in Schedule 4 (*Accounts*) (and shall include any addition to or renewals, replacement, redesignation, subdivision, substitution or sub-account of such Accounts);
- (b) any Blocked Accounts which are maintained with any bank or financial institution other than the Hedging Counterparty; and
- (c) any other Account agreed by the Hedging Counterparty and the Chargor in writing to be an Assigned Account

"Assigned Contracts"

means, in addition to the Material Contract, all contracts, agreements, deeds and other documents which are material (in the Hedging Counterparty's sole opinion) to the continued operation of the Chargor's business (other than any Hedging Agreement)

<b>"Assigned Insurances"</b>	means the Insurances (if any) specified in Schedule 6 ( <i>Assigned Insurances</i> ) (including any renewal, substitution or replacement of such Insurance)
<b>"Authorisation"</b>	means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration
<b>"Blocked Accounts"</b>	means:- <ul style="list-style-type: none"> <li>(a) each of the Accounts specified as Blocked Accounts in Schedule 4 (<i>Accounts</i>) (and shall include any addition to or renewals, replacement, redesignation, subdivision, substitution or sub-account of such accounts); and</li> <li>(b) any other Account agreed by the Hedging Counterparty and the Chargor in writing to be a Blocked Account</li> </ul>
<b>"Facility Agreement"</b>	means the £32,000,000 LIBOR term loan facility agreement between the Chargor (among others) and the Lender dated on or around the date of this Deed
<b>"Franchise Guarantee"</b>	has the meaning given to that term in the Facility Agreement
<b>"Hampton by Hilton Hotel Management Agreement"</b>	has the meaning given to that term in the Facility Agreement
<b>"Hedging Agreement"</b>	has the meaning given to that term in the Facility Agreement
<b>"Hilton Hotel Management Agreement"</b>	has the meaning given to that term in the Facility Agreement
<b>"Hilton Hotel Franchise Agreement"</b>	has the meaning given to that term in the Facility Agreement
<b>"Holding Company"</b>	has the meaning given in section 1159 of the Companies Act 2006
<b>"Insurances"</b>	means any contracts and policies of insurance or assurance taken out by or on behalf of the Chargor or (to the extent of its interest) in which the Chargor has an interest excluding, in each case, contracts and policies of insurance or assurance which relate to liabilities to third parties
<b>"Interest Rate"</b>	means the rate of interest payable on any facility secured by the Security
<b>"Land"</b>	has the meaning given to that term in section 205(1) of the LPA but for these purposes "Land" excludes heritable property situated in Scotland
<b>"Lease"</b>	means any lease, underlease, tenancy, licence or other right of occupation to which the Property is from time to time subject together with any related guarantee or other security for the performance of the lessee's obligations
<b>"Lender"</b>	has the meaning given to that term in the Facility Agreement
<b>"Material Contracts"</b>	means those agreements listed in Schedule 5 ( <i>Material Contracts</i> )



"Monetary Claims"		means all present and future book debts and other debts, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by the Chargor or due or owing to it (whether actual or contingent and whether arising under contract or in any other manner whatsoever)
"Obligors"		has the meaning given to that term in the Facility Agreement
"Parallel Document"	<b>Security</b>	means any security document in respect of any asset secured under this Debenture entered into by the Chargor in favour of HSBC Bank plc
"Property"		means all the Land from time to time subject to the Security Interests created by the Chargor in favour of the Hedging Counterparty
"Receiver"		means an administrative receiver, a receiver and/or manager of any or all of the Chargor's assets appointed by the Hedging Counterparty under the Security
"Secured Liabilities"		means all monies from time to time due or owing and all other actual or contingent liabilities from time to time incurred by the Obligors to the Hedging Counterparty (including under any Hedging Agreement)
"Security Assets"		means all the Chargor's assets from time to time the subject of Security
"Security Interest"		means a mortgage, charge, assignment, pledge, lien, standard security, assignation or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect
"Security"		means the Security Interests created or intended to be created by or pursuant to this Debenture
"Shares"		means the shares and associated rights referred to in Clause 4.1.5
"Subsidiary"		has the meaning given in section 1159 of the Companies Act 2006
"VAT"		means value added tax as provided for in the Value Added Tax Act 1994 and any similar or substitute tax

## 1.2 Interpretation

1.2.1 Unless a contrary indication appears, any reference in this Debenture to:-

- (a) "assets" includes present and future properties, revenues and rights of every description;
- (b) the "Hedging Counterparty" shall be construed to include its successors in title, permitted assigns and permitted transferees;
- (c) a "disposal" includes a lease, licence, transfer, sale or other disposal of any kind;
- (d) "includes" or "including" shall be read and construed as including the phrase "without limitation";

- (e) this "Debenture" or any other agreement or instrument is a reference to this Debenture, or other agreement or instrument as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the Chargor's obligations or provides for further advances);
- (f) a provision of law is a reference to that provision as amended or re-enacted;
- (g) the singular includes the plural and vice versa; and
- (h) any Land includes:-
  - (i) all or any part of it;
  - (ii) all buildings, fixtures (including trade fixtures), fittings and fixed plant or machinery at any time on that property;
  - (iii) all easements, servitudes, rights and agreements in respect of that property;
  - (iv) all rents from and proceeds of sale of that property; and
  - (v) the benefit of all covenants given in respect of that property.

1.2.2 Words and expressions defined in the Facility Agreement will have the same meaning when used in this Deed, unless the context otherwise requires.

1.2.3 When any provision of this Debenture refers to an approval or consent by the Hedging Counterparty that provision shall be construed so as to require that consent or approval to be given in writing.

1.2.4 Where the Chargor includes two or more entities a reference to the Chargor shall mean to each of the entities severally as well as all of the entities jointly.

1.2.5 Where the Chargor is not a limited company, references to 'its' and 'it' shall be read and construed as references to 'his' and 'him' or 'her' as applicable.

1.2.6 References to clauses and paragraphs are to be construed, unless otherwise stated, as references to clauses and paragraphs of this Debenture.

1.2.7 Clause headings are for ease of reference only and shall not affect the construction of this Debenture.

1.2.8 If the Hedging Counterparty reasonably considers that an amount paid by the Chargor is capable of being avoided or otherwise set aside on the bankruptcy, liquidation or administration of the Chargor, then that amount shall not be considered to have been irrevocably paid for the purposes of this Debenture.

### 1.3 Third party rights

Only a Receiver has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Debenture.

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

The terms of all other documents entered into between the Chargor and the Hedging Counterparty are incorporated in this Debenture to the extent required to ensure that any disposition of the Property contained in this Debenture is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

## **1.5 Delivery**

The parties intend this Debenture to be delivered on the first date specified on page 1 of this Debenture and that this Debenture shall take effect as a deed notwithstanding the fact that the Hedging Counterparty may only execute this Debenture under hand.

## **2. COVENANT TO PAY**

### **2.1 Covenant to pay**

The Chargor shall pay and discharge each of the Secured Liabilities when the same fall due for payment.

### **2.2 Further advances**

This Debenture is made to secure any further advances or other facilities but it does not create any obligation on the Hedging Counterparty to make any further advances or make other facilities available.

### **2.3 Default interest**

2.3.1 Any amount which is not paid under this Debenture when due shall bear interest (both before and after judgment and payable on demand) from the due date until the date on which such amount is unconditionally and irrevocably paid and discharged in full on a daily basis at the rate that is two per cent above the Interest Rate from time to time.

2.3.2 Default interest will accrue from day to day on a year of 365 days and will be compounded at such intervals as the Hedging Counterparty considers are appropriate.

## **3. SECURITY**

### **3.1 Nature of security**

All Security and dispositions created or made by or pursuant to this Debenture are created or made in favour of the Hedging Counterparty with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 as security for the discharge of the Secured Liabilities.

### **3.2 Qualifying floating charge**

3.2.1 Paragraph 14 of schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to this Debenture.

3.2.2 Each floating charge created by this Debenture is a qualifying floating charge for the purposes of the Insolvency Act 1986.

### **3.3 Trust**

If or to the extent that for any reason the assignment or charging of any Security Asset is prohibited, the Chargor shall:-

3.3.1 hold it on trust for the Hedging Counterparty as security for the payment and discharge of the Secured Liabilities; and

3.3.2 take such steps as the Hedging Counterparty may require to remove the impediment to assignment or charging it.

### **3.4 Ranking**

The Chargor consents to the Hedging Counterparty and HSBC UK Bank plc entering into priority, intercreditor or other similar arrangements (to which the Chargor shall not be party) to regulate the ranking of the security granted by the Chargor under this Debenture and any Parallel Security Document.

#### 4. FIXED SECURITY

##### 4.1 Fixed charges

The Chargor charges and agrees to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by it, or in which it from time to time has an interest:-

4.1.1 by way of first legal mortgage, the Land specified in Schedule 2 (*The Property*);

4.1.2 by way of first fixed charge:-

- (a) all Land (if any) at the date of this Debenture vested in, or charged to the Chargor (not effectively mortgaged by Clause 4.1.1);
- (b) all Land acquired by any Chargor after the date of this Debenture;
- (c) all licences to enter upon or use Land and the benefit of all other agreements relating to Land;
- (d) the proceeds of sale of all Land; and
- (e) the benefit of any rental deposit given or charged to the Chargor by any occupier of any Land;

4.1.3 by way of first fixed charge (insofar as not mortgaged by Clause 4.1.1 or charged by Clause 4.1.2) all present and future rents and other sums due to the Chargor under any Lease;

4.1.4 by way of first fixed charge all plant and machinery (insofar as not mortgaged by Clause 4.1.1 or charged by Clause 4.1.2) and the benefit of all contracts, licences and warranties relating to the same;

4.1.5 by way of first fixed charge, the shares referred to in Schedule 3 (*Shares*) (if any) together with all dividends, distributions and other income paid or payable and all rights, monies or property accruing or offered at any time in relation to such assets whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;

4.1.6 by way of first fixed charge (insofar as not charged by Clause 4.1.5) all stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or "*investments*" (as defined in part II of schedule II to the Financial Services and Markets Act 2000 as in force at the date of this Debenture) now or in future owned by the Chargor or held by a nominee, trustee, fiduciary or clearance system on its behalf or in which the Chargor has an interest at any time (not charged by Clause 4.1.5), together with all dividends, distributions and other income paid or payable and all rights, monies or property accruing or offered at any time in relation to such assets whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;

4.1.7 by way of first fixed charge the Blocked Accounts of the relevant Chargor held with the Hedging Counterparty and the Account Balances in respect of those Accounts, together with all additions, renewals, replacements, redesignations, subdivisions, substitutions or sub-accounts of such accounts (in whatever currency);

- 4.1.8 by way of first fixed charge all of the Accounts of the Chargor held with the Hedging Counterparty (save for those listed in Clause 4.1.7) and the Account Balances in respect of those Accounts, together with all additions to or renewals, replacements, redesignations, subdivision, substitution or sub-accounts of such accounts (in whatever currency);
- 4.1.9 by way of first fixed charge all the Accounts of the Chargor (save for those accounts listed in Clauses 4.1.7 and 4.1.8) with any bank, financial institution or other person at any time and all Account Balances in respect of those accounts, together with all additions to or renewals, replacements, redesignations, subdivision, substitution or sub-accounts of such accounts (in whatever currency);
- 4.1.10 by way of first fixed charge all Monetary Claims together with the benefit of all rights, guarantees, Security Interests and remedies relating to any Monetary Claims;
- 4.1.11 by way of first fixed charge all the rights the Chargor has from time to time in respect of any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests (whether registered or unregistered) and the benefit of all applications for and rights to use such assets;
- 4.1.12 by way of first fixed charge, each Hedging Agreement, all rights and remedies in connection with such Hedging Agreements and all proceeds and claims arising from them;
- 4.1.13 by way of first fixed charge (to the extent not otherwise charged or assigned in this Debenture):-
  - (a) the benefit of all licences, consents, agreements and Authorisations held or used in connection with the Chargor's business or the use of any of its assets; and
  - (b) any letter of credit issued in the Chargor's favour and all bills of exchange and other negotiable instruments held by it;
- 4.1.14 by way of first fixed charge all of the Chargor's goodwill and uncalled capital; and
- 4.1.15 to the extent that any asset expressed to be assigned pursuant to Clause 4.2 (*Security assignments*) is not effectively assigned under that clause, by way of first fixed charge, such asset.

## 4.2 Security assignments

- 4.2.1 The Chargor assigns and agrees to assign absolutely (subject to a proviso for reassignment on the irrevocable discharge in full of the Secured Liabilities) all of its present and future right, title and interest in and to:-
  - (a) (to the extent not mortgaged or charged by Clause 4.1 (*Fixed charges*)) all present and future rents and other sums due to the Chargor under any Lease;
  - (b) each Material Contract together with all rights and remedies in connection with each Material Contract and all proceeds and claims arising from them;
  - (c) each Assigned Contract together with all rights and remedies in connection with each Assigned Contract and all proceeds and claims arising from them;
  - (d) all Assigned Insurances, claims under the Assigned Insurances and all proceeds of claims under the Assigned Insurances;

- (e) each Assigned Account and Account Balances in respect of those Accounts, together with all additions to or renewals, replacements, redesignations, subdivision, substitution or sub-accounts of such accounts (in whatever currency);
- (f) the benefit of all rights, guarantees, Security Interests and remedies relating to any of the foregoing; and
- (g) all proceeds of any of the foregoing not otherwise assigned under this Clause 4.2.

4.2.2 To the extent that any right referred to in Clause 4.2.1 is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all the Chargor's present and future rights and claims to any proceeds of such rights.

#### 4.3 Notice of Security

4.3.1 The Chargor must give notice of the grant of the Security to:-

- (a) each counterparty to a Material Contract or an Assigned Contract, in the form set out in Schedule 7 (*Form of notice of assignment of Material Contracts or Assigned Contracts*);
- (b) each insurer under any Assigned Insurances in the form set out in Schedule 8 (*Form of notice of assignment of Insurance*);
- (c) each bank or financial institution with whom an Assigned Account (other than a Blocked Account) is held in the form set out in Schedule 9 (*Form of notice of assignment of Assigned Accounts (other than Blocked Accounts)*);
- (d) each bank or financial institution other than the Hedging Counterparty with whom a Blocked Account is held, in the form set out in Schedule 10 (*Form of notice of assignment of Blocked Accounts*);

and it shall use its reasonable endeavours to procure that the recipient of each notice acknowledges it in writing.

4.3.2 A notice pursuant to Clause 4.3.1 must be given:-

- (a) in the prescribed forms attached to this Debenture;
- (b) immediately in respect of each Lease, Material Contract, Assigned Contract, Assigned Insurance, Assigned Account and Blocked Account in existence at the date of this Debenture; and
- (c) promptly after the entry into a new Lease, Material Contract, Assigned Contract, Assigned Insurance or the opening of a new Assigned Account or Blocked Account after the date of this Debenture.

#### 4.4 Preservation of assets

The Hedging Counterparty is not obliged to take any steps necessary to preserve any of the Chargor's assets, to enforce any term of any contract or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to this Debenture.

#### 5. FLOATING CHARGE

The Chargor charges and agrees to charge by way of first floating charge all of its present and future:-



- 5.1 assets and undertaking (wherever located) not otherwise effectively charged by way of first fixed mortgage or charge or assigned pursuant to Clause 4.1 (*Fixed charges*), Clause 4.2 (*Security assignments*) or any other provision of this Debenture; and
- 5.2 (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland.

## **6. CONVERSION OF FLOATING CHARGE**

### **6.1 Conversion by notice**

The Hedging Counterparty may, by written notice to the Chargor, convert the floating charge created under this Debenture into a fixed charge as regards all or any of the Chargor's assets specified in the notice.

### **6.2 Small companies**

The floating charge created under this Debenture shall not convert into a fixed charge solely by reason of a moratorium being obtained in respect of the Chargor under Schedule A1 of the Insolvency Act 1986 (or anything done with a view to obtaining such a moratorium).

### **6.3 Automatic conversion**

The floating charge created under this Debenture shall (in addition to the circumstances in which the same will occur under general law) automatically and without notice convert into a fixed charge:-

6.3.1 in relation to any asset which is subject to a floating charge if:-

- (a) the Chargor creates or attempts or purports to create any Security Interest on or over the relevant asset without the prior consent of the Hedging Counterparty (other than a Security Interest created under a Parallel Security Document); or
- (b) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such asset; or
- (c) any step is taken (including the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator or receiver in respect of the Chargor, over all or any part of its assets, or if such person is appointed; or
- (d) any other floating charge over the Security Assets is crystallised; and

6.3.2 over all the Chargor's assets which are subject to a floating charge if an administrator under the Insolvency Act 1986 is appointed in respect of the Chargor or the Hedging Counterparty receives notice of intention to appoint such an administrator.

### **6.4 Scottish property**

Clause 6.3 (*Automatic conversion*) will not apply to any assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such automatic conversion.

### **6.5 Partial conversion**

The giving of a notice by the Hedging Counterparty pursuant to Clause 6.1 (*Conversion by notice*) in relation to any class of the Chargor's assets shall not be construed as a waiver or abandonment of the rights of the Hedging Counterparty to serve similar notices in respect of any other class of assets or of any other right of the Hedging Counterparty.

## **6.6 Assets acquired post-crystallisation**

Any assets acquired by the Chargor after crystallisation has occurred (and that are not effectively charged by way of legal mortgage or fixed charge, or assigned under this Debenture), shall become subject to the floating charge created by Clause 5 (*Floating charge*) so that the crystallisation shall be effective as if such assets were owned by the Chargor at the date of crystallisation.

## **6.7 De-crystallisation of floating charge**

Any charge that has crystallised under this Clause may by notice in writing (given at any time by the Hedging Counterparty to the Chargor), be reconverted into a floating charge in relation to the assets or class of assets specified in that notice

# **7. REPRESENTATIONS**

## **7.1 General**

The Chargor makes the representations and warranties set out in this Clause 7 to the Hedging Counterparty on the date of this Debenture.

## **7.2 Status**

7.2.1 It is a limited liability corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.

7.2.2 It and each of its subsidiaries have the power to own their assets and carry on their respective businesses as they are being conducted.

## **7.3 Binding obligations**

7.3.1 Its obligations in this Debenture are legal, valid, binding and enforceable obligations.

7.3.2 The Security Interests which this Debenture purports to create are valid and effective and are not liable to be avoided or otherwise set aside on its liquidation or administration.

## **7.4 Non-conflict with other obligations**

The entry into and performance by it of its obligations under this Debenture and the granting of the Security do not and will not conflict with:-

7.4.1 any law or regulation applicable to it;

7.4.2 its constitutional documents; or

7.4.3 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.

## **7.5 Power and authority**

7.5.1 It has the power to enter into, perform and deliver, and have taken all necessary action to authorise its entry into, performance and delivery of, this Debenture and the grant of the Security.

7.5.2 No limit on its powers will be exceeded as a result of the grant of the Security.

7.5.3 The Chargor has not received any warning notice or restriction notice from any company listed in Schedule 3 (*Shares*) under Part 21A of the Companies Act 2006.



## **7.6 Validity and admissibility in evidence**

7.6.1 Subject to the Perfection Requirements all Authorisations required or desirable:-

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Debenture and to grant the Security;
- (b) to make this Debenture admissible in evidence in its jurisdiction of incorporation and in England and Wales,

have been obtained or effected and are in full force and effect.

7.6.2 All Authorisations necessary for the conduct of its business, trade and ordinary activities have been obtained or effected and are in full force and effect.

## **7.7 Solvency**

As at the date of this Debenture it is able to meet its debts as they fall due and is not deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or any analogous provision in any relevant jurisdiction.

## **7.8 Environmental Laws**

7.8.1 It is complying with any applicable law or regulation which relates to:-

- (a) the pollution or protection of the environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the environment, including, any waste,

and it is not aware of any claim which has been commenced or is threatened against it in respect of any breach or alleged breach of any such laws or regulations.

7.8.2 So far as it is aware no dangerous substance has been used, disposed of, generated, stored, dumped, released, deposited, buried or emitted at, on, from or under the Property.

## **7.9 Security**

No Security Interest exists over any of its present or future assets other than pursuant to a Parallel Security Document or as permitted by this Debenture.

## **7.10 Ranking**

The Security has or will have first ranking priority and it is not subject to any prior ranking or pari passu ranking Security Interest (other than pursuant to any Parallel Security Document)

## **7.11 Title to assets**

It has a good and marketable title to and is the sole legal and beneficial owner of the Security Assets.

## **7.12 Centre of main interest and establishments**

For the purposes of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the "Regulation"), its "*centre of main interest*" (as that term is used in Article 3(1) of the

Regulation) is situated in England and Wales and it has no "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

## **8. GENERAL UNDERTAKINGS**

### **8.1 Negative pledge**

Save as permitted by the Facility Agreement, the Chargor shall not create or permit to subsist any Security Interest other than a Security Interest created under any Parallel Security Document without the consent of the Hedging Counterparty.

### **8.2 No disposals**

Save as permitted by the Facility Agreement, or unless the Hedging Counterparty consents (such consent not to be unreasonably withheld or delayed), the Chargor shall not make any disposal of its assets that are mortgaged, charged or assigned to the Hedging Counterparty by this Debenture even if the disposal is involuntary.

### **8.3 Covenants and payments**

The Chargor must:-

- 8.3.1 observe and perform all covenants and other obligations and matters (whether or not contained in any agreement or other document) from time to time for which the owner of the Security Assets is responsible and on the Hedging Counterparty's reasonable request produce evidence to satisfy the Hedging Counterparty that it is complying with this obligation;
- 8.3.2 promptly inform the Hedging Counterparty if it becomes aware of any steps taken or proceedings commenced by any person with a view to obtaining forfeiture of or determining any lease, underlease, tenancy or licence comprised in the Security Assets;
- 8.3.3 not permit any breach of any bye-laws, other laws and regulations affecting any of the Security Assets; and
- 8.3.4 pay or procure the payment of all rents, rates, taxes, charges, assessments, impositions and other outgoings of any kind which are from time to time payable (whether by the owner or the occupier) in respect of any of the Security Assets.

### **8.4 Enforcement of rights**

The Chargor must:-

- 8.4.1 use all reasonable endeavours to ensure prompt observance and performance of the terms of each lease under which it holds a Property by the lessor; and
- 8.4.2 use all reasonable endeavours to enforce any rights and institute, continue or defend any proceedings relating to any of the Security Assets which the Hedging Counterparty may require from time to time,

in each case at the Chargor's cost.

## **9. INSURANCE UNDERTAKINGS**

### **9.1 Maintenance of insurance**

- 9.1.1 The Chargor must ensure that at all times it benefits from insurance against third party and public liability risks and each Property is insured against:-

- (a) loss or damage by fire, storm, tempest, flood, earthquake, lightning, explosion, impact, aircraft (other than hostile aircraft) and other aerial devices and articles dropped from them, riot, terrorism, civil commotion and malicious damage, bursting or overflowing of water tanks, apparatus or pipes, subsidence; and
- (b) such other risks and contingencies as are insured in accordance with sound commercial practice or which the Hedging Counterparty may direct from time to time to the full reinstatement value thereof with adequate provision also being made for:-
  - (i) the cost of clearing the site, demolition, shoring or propping up and architects', engineers', surveyors' and other professional fees incidental thereto and value added tax on such costs and fees (together with provision for future inflation); and
  - (ii) business interruption insurance for a period of not less than three years or, if longer, the minimum period required under the Hotel Franchise Agreement and the Management Agreements or such other period as the Hedging Counterparty (acting reasonably) may direct.

9.1.2 The Chargor must ensure at all times that all insurance policies:-

- (a) contain a mortgagee clause whereby such insurance policy will not be vitiated or avoided as against a mortgagee or security holder in the event of or as a result of any circumstances beyond the control of that insured party or any misrepresentation, breach of any policy term or condition, act or neglect or failure to make disclosure on the part of any other insured party or any agent of any other insured party;
- (b) name the Hedging Counterparty as co insured on a composite basis in respect of its own separate insurable interest (other than in respect of any professional indemnity, public liability and third party liability insurance policies) but without:
  - (i) any liability on the part of the Hedging Counterparty for any premium in relation to those insurance policies (unless the Hedging Counterparty has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of any of those insurance policies); or
  - (ii) any obligation on the part of the Hedging Counterparty to make any disclosure to any insurer or any insurance broker in relation to those insurance policies unless and until the Hedging Counterparty becomes a mortgagee in possession of any Property, in which circumstance an obligation shall apply on the part of the Hedging Counterparty to make disclosure to any insurer or any insurance broker in relation to the insurance policy or policies in respect of that Property pursuant to the terms of that insurance policy or policies;
- (c) contain a loss payee clause under which the Hedging Counterparty is named as first loss payee along with any person which is a secured party under a Parallel Security Document in respect of any claim or series of connected claims in excess of £100,000 (other than in respect of any claim under any public liability and third party liability insurances) provided that in the case of buildings insurance this shall be subject to:
  - (i) any terms to the contrary contained in the lease of Block C dated 30 July 2014 made between (1) THAT Bournemouth Company Limited and (2) Redrow Homes Limited;

(ii) any terms to the contrary contained in any leases of the Block A Residential Element (or any residential unit within the Block A Residential Element) enforceable by a party which is not a Borrower or Obligor; and

(iii) where there are such terms to the contrary as referred to in Clause 9.1.2(c)(i) and/or Clause 9.1.2(c)(ii) in relation to part of the Property only, the insurer's acceptance of more than one first loss payee in respect of the buildings insurance cover afforded by the policy.

(d) contain terms providing that the each insurer must give at least 30 days' notice to the Hedging Counterparty if it proposes to:-

(i) repudiate, rescind or cancel any insurance policy;

(ii) treat any insurance policy as avoided in whole or in part;

(iii) treat any insurance policy as expired due to non-payment of premium; or

(iv) otherwise decline any claim under any insurance policy by or on behalf of any insured party,

and, in respect of Clause 9.1.2(d)(iii) above, must in the notice give the Hedging Counterparty the opportunity to rectify any such non-payment of premium within the notice period;

(e) contain terms providing that the Hedging Counterparty shall have no duty of disclosure to the insurance company or underwriters and have no liability to pay any unpaid premium;

(f) contain a waiver of the rights of subrogation of the insurer as against the Chargor and the Hedging Counterparty of each property;

(g) are in an amount and form acceptable to the Hedging Counterparty (acting reasonably); and

(h) are with an insurance company or underwriters acceptable to the Hedging Counterparty (acting reasonably).

9.1.3 The Chargor must be free to assign or otherwise grant Security Interests over all amounts payable to it under each insurance policy and all its rights in connection with those amounts in favour of the Hedging Counterparty.

9.1.4 If the Hedging Counterparty requests, the Chargor must promptly provide a copy of each insurance policy together with evidence of payment of the premiums and such other information in connection with the insurance policies as the Hedging Counterparty requests.

9.1.5 If the Hedging Counterparty acting reasonably considers that the amount insured, or the risks covered, by any insurance policy do not comply with the requirements of Clause 9.1.1 the Hedging Counterparty shall give the Chargor written notice to this effect whereupon the Chargor must promptly ensure that the amount insured is increased and/or ensure that the category of risks covered is amended so as to comply with the requirements of Clause 9.1.1.

9.1.6 The Chargor must:-

(a) comply with the terms of the insurance policies;

- (b) ensure that all things necessary to keep all the insurance policies in force are done promptly including the punctual payment of premiums; and
- (c) notify the Hedging Counterparty of premiums paid, renewals made, material variations and cancellations of insurance policies made or, to the knowledge of the insured, threatened or pending and any claim or any actual or threatened refusal of a claim.

9.1.7 The Chargor must not allow anything to occur which may make any insurance policy void or voidable.

9.1.8 If the Chargor does not comply the Hedging Counterparty may (without any obligation to do so) effect or renew any such insurance policy either in its own name, or together with the Chargor in such sum and on such terms as which the Hedging Counterparty may reasonably think expedient and all monies expended by the Hedging Counterparty will be deemed to be properly paid by the relevant person and shall be reimbursed by the Chargor on demand.

## 9.2 Application of insurance monies

The Chargor must apply sums received under any insurance policy as follows:-

9.2.1 if the Chargor is required by a Lease to apply the sums in a particular way then it must do so;

9.2.2 amounts received under liability policies held by the Chargor which are required by it to satisfy established liabilities of the Chargor to third parties must be used to satisfy these liabilities;

9.2.3 the proceeds of any business interruption insurance will be treated as Operating Revenue and applied in such manner as the Hedging Counterparty (acting reasonably) requires to have effect as if it were Operating Revenue received over the period of the business interruption;

9.2.4 otherwise the Chargor must, at the option of the Hedging Counterparty, either:-

- (a) apply the sums towards making good the loss or damage to which they relate; or
- (b) apply the sums towards the discharge of the Secured Liabilities.

## 10. PROPERTY UNDERTAKINGS

### 10.1 Property management

10.1.1 The Chargor must diligently manage or procure the management of the Property in accordance with the principles of good estate management and promptly notify the Hedging Counterparty of any material default by any lessee or other occupier of the Property and use all reasonable endeavours to enforce the performance and observance of the obligations on the part of any lessee under any Lease.

10.1.2 If the Chargor fails, or the Hedging Counterparty (acting reasonably) considers that it has failed, at any time to comply with the obligations in Clause 10.1.1 above, it shall be lawful for the Hedging Counterparty to carry out such works and take such steps as it may determine (acting reasonably) are necessary to remedy and rectify the failure, the fees, costs and expenses of such action to be reimbursed by the Chargor to the Hedging Counterparty upon demand.

10.1.3 The Chargor must promptly notify the Hedging Counterparty in writing if it becomes aware of any steps taken or proceedings commenced by any person with a view to obtaining forfeiture of or determining any Lease.

10.1.4 Nothing in this Clause shall render the Hedging Counterparty liable to account as mortgagee in possession.

## 10.2 Leases

In addition to the restrictions in Clause 8.2 (*No disposals*) the Chargor must not:-

10.2.1 grant any Lease;

10.2.2 terminate (whether by surrender, forfeiture or otherwise) any Lease;

10.2.3 vary any terms of or waive any rights it has under any Lease; or

10.2.4 agree to any change of use under, or any rent reviews or any concession or reduction of rent in respect of, any Lease; or

10.2.5 consent to any assignment or sub-letting of any lessee's interest (or any assignment of a sub-tenant's interest) under any Lease,

without the Hedging Counterparty's prior consent (not to be unreasonably withheld or delayed) and may not enter into any agreement to do so PROVIDED THAT this Clause 10.2 shall not apply to any licence to guests or third parties as part of the businesses of the Hotels, the Car Park and the Street Bar.

## 10.3 Works

Save as permitted pursuant to the terms of the Facility Agreement, the Chargor must ensure that no person:-

10.3.1 demolishes any buildings or erections on the Property;

10.3.2 makes any structural alteration to any Property; or

10.3.3 removes any fixtures from any Property,

without the prior consent of the Hedging Counterparty (acting reasonably).

## 10.4 Repair

10.4.1 The Chargor must ensure that all buildings and erections from time to time upon the Property and all fittings, plant and machinery on the Property are in, and maintained in:-

(a) good and substantial repair and condition and, as appropriate, in good working order; and

(b) such repair, condition and order as to enable them to be let in accordance with all applicable laws and regulations,

in each case as appropriate with the applicable standards under the terms of the Hotel Franchise Agreement and the Hotel Management Agreements and when necessary the Chargor shall replace, or procure the replacement of, the same with items of similar quality and value.

10.4.2 The Chargor must carry out any energy efficiency improvements necessary, or take any other steps necessary, to ensure that at all times each part of any Property which is



designed to be let can be let or can continue to be let without breaching any applicable laws or regulations in respect of minimum levels of energy efficiency for properties.

#### 10.5 Pay outgoings

The Chargor must ensure all rates, rents, outgoings and other sums payable by it or in respect of the Property are promptly paid.

#### 10.6 Development of Property

10.6.1 Without the prior consent of the Hedging Counterparty (not to be unreasonably withheld or delayed), the Chargor must not:-

- (a) carry out or permit to be carried out any development (including change of use of) for which planning permission is required;
- (b) make (or permit others to make) any application for planning permission; or
- (c) implement any planning permission.

10.6.2 Clause 10.6.1 above shall not apply to the extent permitted pursuant to the terms of the Facility Agreement.

10.6.3 The Chargor shall comply in all respects with all planning laws, permissions, agreements and conditions to which the Property is subject.

#### 10.7 New acquisitions of land

The Chargor must:-

10.7.1 give the Hedging Counterparty as much prior notice as possible of a proposed acquisition of any Security Asset which may fall within the security created by Clause 4.1 (*Fixed charges*); and

10.7.2 at its cost, execute and deliver a charge by way of first legal mortgage in favour of the Hedging Counterparty of any freehold or leasehold property which becomes vested in it after the date of this Debenture.

#### 10.8 Registration at the Land Registry

10.8.1 The Chargor must do all things to facilitate the registration of this Debenture against any relevant title registered at the Land Registry.

10.8.2 The Chargor consents to an application being made by the Hedging Counterparty to the Land Registrar for the following restriction to be registered against its title to the Property in the following terms:-

*"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [DATE], in favour of HSBC Bank plc referred to in the charges register".*

10.8.3 The Chargor must not permit any other person to be registered at the Land Registry as proprietor of any Property, except under any Parallel Security Document in respect of the Property.

10.8.4 The Chargor must not, without the prior written consent of the Hedging Counterparty, create or permit to arise any interest which falls within any of the paragraphs of schedule 3 of the Land Registration Act 2002 or any interest preserved by the transitional provisions of schedule 12 of the Land Registration Act 2002 to the extent and for so long as any interest is so preserved in or over the Property.

#### **10.9 Title documents**

The Chargor must deposit with the Hedging Counterparty immediately all title documents, planning and statutory consents from time to time relating to the Security Assets. The Chargor shall be deemed to have complied with this Clause if it has complied with the equivalent clause of any Parallel Security Document relating to the same Security Assets.

#### **10.10 VAT**

The Chargor shall not alter the VAT status of the Property.

#### **10.11 Notices received**

The Chargor must:-

10.11.1 provide to the Hedging Counterparty a copy of any notice or order (or any proposal for a notice or order) given, issued or made by any local or other authority relating to any of the Security Assets;

10.11.2 (save where the notice, order or proposal is to be contested) take all necessary steps to comply with that notice, order or proposal; and

10.11.3 make or join in making any representations which the Hedging Counterparty requests in respect of the notice, order or proposal.

#### **10.12 Compensation**

Any compensation received as a result of a notice, order or proposal must be held on trust for the Hedging Counterparty, and promptly paid to the Hedging Counterparty who shall apply the sums needed in discharge of the Secured Liabilities as it thinks fit.

#### **10.13 Negotiations with local or other authority**

The Chargor shall not conduct any negotiations or make any agreement with any local or other authority concerning the acquisition of any of the Security Assets without the consent of the Hedging Counterparty.

#### **10.14 Entry**

10.14.1 Subject to the terms of each Hotel Franchise Agreement and each Hotel Management Agreement the Hedging Counterparty (and anyone authorised by the Hedging Counterparty) may enter the Property to verify that the Chargor has performed all of its obligations under this Debenture and to take any action that the Hedging Counterparty (acting reasonably) may consider necessary or desirable to prevent or remedy any breach of the provisions of this Debenture.

10.14.2 Subject to Clause 10.14.4 the right to enter shall be exercised within normal working hours upon reasonable notice and may be made with or without workmen, plant and materials.

10.14.3 Exercise of the right of entry shall not cause the Hedging Counterparty or any person authorised by it to be liable as a mortgagee in possession.

10.14.4 The right to entry may be made at any time without notice in the case of emergency.



## **11. UNDERTAKINGS RELATING TO SHARES**

### **11.1 Deposit of certificates and transfers**

11.1.1 The Chargor must ensure that the following documents are deposited with the Hedging Counterparty:-

- (a) all stock and share certificates and documents of title relating to the Shares;
- (b) transfers of the Shares duly completed in favour of the Hedging Counterparty or otherwise as the Hedging Counterparty may direct; and
- (c) any other documents which the Hedging Counterparty may from time to time require for perfecting title to the Shares (duly executed by or signed on behalf of the registered holder) or for vesting or enabling the Hedging Counterparty to vest those Shares in itself, its nominees or in any purchaser.

The Chargor shall be deemed to have complied with this Clause if it has complied with the equivalent clause of any Parallel Security Document relating to the Shares.

11.1.2 The Chargor must execute such documents, pass such resolutions or take such other action as is necessary to protect the Hedging Counterparty's title to the Shares.

11.1.3 The Chargor must ensure that all or any of the Shares are transferred into the name of the Hedging Counterparty, its nominee or agent on request.

### **11.2 No share issues**

The Chargor shall (to the extent within its power) ensure that without the Hedging Counterparty's prior consent, no company whose share capital includes or comprises the Shares will:-

11.2.1 issue or allot any shares or other securities or enter into or permit any agreement or other arrangement to make, or entitle any person to call for, an issue or allotment of that company's shares or other securities;

11.2.2 in any way modify the rights attached to any of the shares in its issued share capital;

11.2.3 increase, consolidate, sub-divide or reduce its share capital;

11.2.4 alter its articles of association;

11.2.5 purchase its own shares or reduce its share capital; or

11.2.6 take any step to place itself in liquidation or administration or pass any resolution to wind itself up.

### **11.3 Calls**

The Chargor shall ensure all calls, instalments or other payments which may be made or become due in respect of the Shares are punctually met as and when the same become due from time to time.

### **11.4 Persons with significant control**

11.4.1 The Chargor shall respond promptly (and in any event within the time required by law) to any request for information or notice served on it by a company listed in Schedule 3 (*Shares*) under or pursuant to Part 21A of the Companies Act 2006.

11.4.2 The Chargor shall promptly upon receipt provide to the Hedging Counterparty a copy of any warning notice or restriction notice served on it in respect of any Shares under Part 21A of the Companies Act 2006.

## **12. UNDERTAKINGS RELATING TO MONETARY CLAIMS**

12.1 The Chargor shall get in and realise the Monetary Claims in the ordinary course of business and pay the proceeds of those Monetary Claims into an Account (or, where the Hedging Counterparty so requires, into a Blocked Account or an Assigned Account).

12.2 The Chargor shall not at any time during the subsistence of this Debenture, without the prior written consent of the Hedging Counterparty sell, factor, discount, transfer, assign, lend or otherwise dispose of any of the Monetary Claims or enter into any agreement to do so.

12.3 If and to the extent that the Hedging Counterparty so specifies, at any time after the Security created under this Debenture has become enforceable, the Chargor shall pay the proceeds of payment or realisation of its assets comprising temporary and other investments, book and other debts, royalties, fees and income of like nature or other moneys received by it as the Hedging Counterparty may require into such Account(s) as the Hedging Counterparty may from time to time specify and pending such payment shall hold all such receipts on trust for the Hedging Counterparty.

## **13. FURTHER ASSURANCE**

The Chargor shall at its own expense ensure any documents are executed and any acts and things are done which the Hedging Counterparty may reasonably require from time to time for:-

13.1 giving effect to, perfecting or protecting the Security;

13.2 facilitating the realisation of any Security Asset;

13.3 granting and perfecting new Security following any addition to or renewal, replacement, redesignation, subdivision, substitution or sub-account of any Account;

13.4 facilitating the exercise of all powers, authorities and discretions vested in the Hedging Counterparty or in any Receiver; or

13.5 perfecting any Security over any assets acquired by the Chargor after the date of this Debenture.

## **14. ENFORCEMENT**

### **14.1 Remedying defaults**

The Hedging Counterparty or a Receiver may (but is not obliged to) take any action to remedy a failure by the Chargor to observe and perform the provisions of this Debenture at the Chargor's cost.

### **14.2 Timing of enforcement**

14.2.1 The Secured Liabilities are deemed to have become due on the date of this Debenture.

14.2.2 The Security shall become enforceable on the earlier of:-

(a) the date the Hedging Counterparty demands repayment of any of the Secured Liabilities following the occurrence of an Event of Default;

(b) the date the Chargor breaches a provision of this Debenture or any document evidencing the facilities to which the Secured Liabilities relate;

- (c) the occurrence of any event causing, or purporting to cause, the floating charge created by this Deed to become fixed in relation to any Secured Asset; or
- (d) any Security Interest created pursuant to a Parallel Security Document becoming enforceable; or
- (e) the Chargor's request.

14.2.3 Neither section 93(1) nor section 103 of the Law of Property Act 1925 shall apply to this Debenture.

#### 14.3 Powers of the Hedging Counterparty

14.3.1 At any time after the Security becomes enforceable or if requested by the Chargor, the Hedging Counterparty may without further notice (unless required by law):-

- (a) appoint any person (or persons) to be a receiver, receiver and manager or administrative receiver of all or any part of the Security Assets and/or of the income of the Security Assets; and/or
- (b) appoint or apply for the appointment of any person who is appropriately qualified as the Chargor's administrator; and/or
- (c) exercise all or any of the powers conferred on mortgagees by the Law of Property Act 1925 (as amended or extended by this Debenture) and/or all or any of the powers which are conferred by this Debenture on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver; and/or
- (d) exercise (in the Chargor's name) any voting rights and any powers or rights which may be exercised by the Chargor in relation to the Shares.

14.3.2 The Hedging Counterparty is not entitled to appoint a Receiver in respect of any Security Assets which are subject to Security which (as created) was a floating charge solely by reason of a moratorium being obtained under Schedule A1 to the Insolvency Act 1986 or anything done with a view to obtaining such a moratorium.

#### 14.4 No liability

Neither the Hedging Counterparty nor any Receiver shall be liable as a mortgagee in possession or otherwise to account in relation to the Security Assets for any loss on realisation or for any other default or omission. No exercise of the right in Clause 14.1 (*Remedying defaults*) shall render the Hedging Counterparty or a Receiver a mortgagee in possession.

### 15. RECEIVER

#### 15.1 Removal and replacement

The Hedging Counterparty may from time to time remove any Receiver appointed by it (subject, in the case of an administrative receivership, to section 45 of the Insolvency Act 1986) and, whenever it may deem appropriate, may appoint a new Receiver in the place of any Receiver whose appointment has terminated.

#### 15.2 Multiple Receivers

If at any time there is more than one Receiver of all or any part of the Security Assets and/or the income of the Security Assets, each Receiver shall have power to act individually (unless otherwise stated in the appointment document).

### 15.3 Remuneration

Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Hedging Counterparty (or, failing such agreement, to be fixed by the Hedging Counterparty) and section 109(6) of the Law of Property Act 1925 shall not apply.

### 15.4 Payment by Receiver

Only monies actually paid by a Receiver to the Hedging Counterparty in relation to the Secured Liabilities shall be capable of being applied by the Hedging Counterparty in discharge of the Secured Liabilities.

### 15.5 Chargor's agent

Any Receiver shall be the Chargor's agent and the Chargor shall (subject to the Companies Act 2006 and the Insolvency Act 1986) be solely responsible for his acts and defaults and for the payment of his remuneration. The Hedging Counterparty shall not incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

## 16. POWERS OF RECEIVER

### 16.1 General Powers

16.1.1 Any Receiver shall have:-

- (a) all the powers which are conferred by the Law of Property Act 1925 on mortgagees in possession and receivers appointed under that Act but without the restrictions contained in sections 103 or 109(1) of the Law of Property Act 1925;
- (b) (whether or not he is an administrative receiver) all the powers which are listed in schedule 1 of the Insolvency Act 1986; and
- (c) all powers which are conferred by any other law conferring power on receivers.

16.1.2 To the extent that the Security Assets constitute "*financial collateral*" and this Debenture and the Chargor's obligations under this Debenture constitute a "*security financial collateral arrangement*" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No.2) Regulations 2003 (SI 2003/3226)) each Receiver and the Hedging Counterparty shall have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.

16.1.3 For the purpose of Clause 16.1.2, the value of the financial collateral appropriated shall be such amount as the Receiver or Hedging Counterparty reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it.

### 16.2 Additional Powers

In addition to the powers referred to in Clause 16.1 (*General Powers*), a Receiver shall have the following powers:-

- 16.2.1 to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which he was appointed;
- 16.2.2 to manage the Security Assets and the Chargor's business as he thinks fit;

- 16.2.3 to redeem any Security Interest and to borrow or raise any money and secure the payment of any money in priority to the Secured Liabilities for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;
- 16.2.4 to enter into, terminate or vary any Hedging Agreement;
- 16.2.5 to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Assets in respect of which he was appointed without the need to observe the restrictions imposed by section 103 of the Law of Property Act 1925, and, without limitation:-
- (a) fixtures may be severed and sold separately from the Property containing them, without the Chargor's consent;
  - (b) the consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party); and
  - (c) any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit;
- 16.2.6 to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to abandon, complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which the Chargor was concerned or interested before his appointment (being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land);
- 16.2.7 to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying, transferring, assigning or leasing the same in the Chargor's name and, for that purpose, to enter into covenants and other contractual obligations in the Chargor's name and so as to bind it;
- 16.2.8 to take any such proceedings in the Chargor's name as he shall think fit in respect of the Security Assets and/or income in respect of which he was appointed (including proceedings for recovery of rent or other monies in arrears at the date of his appointment);
- 16.2.9 to exercise any voting rights attached to any of the Security Assets;
- 16.2.10 to enter into or make any such agreement, arrangement or compromise as he shall think fit;
- 16.2.11 to insure, and to renew any insurances in respect of, the Security Assets as he shall think fit (or as the Hedging Counterparty shall direct);
- 16.2.12 to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit (including, without prejudice to the generality of the foregoing power, to employ any firm, partner, company or other entity with which he is associated);
- 16.2.13 to form one or more subsidiaries of the Chargor and to transfer to any such subsidiary all or any part of the Security Assets;
- 16.2.14 to operate any rent review clause in respect of any Property in respect of which he was appointed and to apply for any new or extended lease; and

16.2.15 to:-

- (a) give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary or desirable for the realisation of any Security Asset;
- (b) exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets; and
- (c) use the Chargor's name for any of the above purposes.

### 16.3 Limitation

- 16.3.1 The Hedging Counterparty may in the instrument by which a Receiver is appointed limit the powers of the Receiver.
- 16.3.2 The Receiver shall be under no duty to the Chargor to exercise any power he may have and shall not incur any liability to the Chargor either by virtue of the exercise of such powers or by virtue of a failure to exercise such powers.

## 17. APPROPRIATION OF RECEIPTS

### 17.1 Application

- 17.1.1 Subject to Clause 17.2 (*Suspense account*), any monies received by the Hedging Counterparty in respect of the Security (subject to the payment of any claims having priority to the Security, but in substitution for section 109(8) of the Law of Property Act 1925) shall be applied in the following order of priority:-
  - (a) in discharging the remuneration of any Receiver and all costs, charges and expenses of and incidental to his or her appointment;
  - (b) in or towards payment or discharge of the Secured Liabilities; and
  - (c) in payment of the surplus (if any) to the Chargor or other person entitled to it.
- 17.1.2 The Hedging Counterparty may apply sums received towards the payment or discharge of the Secured Liabilities in reduction of any part of the Secured Liabilities in any order or manner as it thinks fit. The Hedging Counterparty may override any appropriation made by the Chargor.

### 17.2 Suspense account

Any monies received by the Hedging Counterparty or any Receiver may be placed in an interest bearing suspense or securities realised account and kept there for so long as the Hedging Counterparty considers prudent.

## 18. SET-OFF

- 18.1 The Hedging Counterparty may (but shall not be obliged to) set off any obligation which is due and payable by the Chargor and unpaid or any contingent obligation from the Chargor against any obligation (whether or not matured) owed by the Hedging Counterparty or any of its Affiliates to the Chargor, regardless of the place of payment, booking branch or currency of either obligation.
- 18.2 If either obligation is unliquidated or unascertained, the Hedging Counterparty may set off in an amount estimated by it in good faith to be the amount of that obligation.



**19. CURRENCY CONVERSION**

All monies received or held by the Hedging Counterparty or any Receiver under this Debenture may be converted from their existing currency into such other currency as the Hedging Counterparty or the Receiver considers necessary or desirable to cover the obligations and liabilities comprised in the Secured Liabilities in that other currency at the Hedging Counterparty's spot rate of exchange.

**20. NEW ACCOUNT**

If the Hedging Counterparty receives or is deemed to be affected by notice (whether actual or constructive) of any subsequent Security Interest affecting some or all of the Security Assets or their proceeds of sale, then the Hedging Counterparty may open a new account for the Chargor. If it does not do so, it shall nevertheless be treated as if it had done so at the time when it received, or was deemed to have received, the notice. As from that time, any payment made to the Hedging Counterparty for the Chargor's account shall be credited (or be treated as having been credited) to the new account and shall not operate to reduce the amount for which the Security applies.

**21. DELEGATION AND APPOINTMENT OF ATTORNEYS**

**21.1 Delegation**

21.1.1 The Hedging Counterparty may delegate to any person or persons all or any of the powers, authorities and discretions which are exercisable under this Debenture. A delegation may be made in any manner (including by power of attorney) in and on any terms (including power to sub-delegate) which the Hedging Counterparty thinks fit.

21.1.2 The Hedging Counterparty shall not be liable or responsible to the Chargor for any loss or damage arising from any act, default, omission or misconduct on the part of any of its delegates or sub-delegates.

**21.2 Attorneys**

21.2.1 By way of security, the Chargor irrevocably appoints the Hedging Counterparty, every Receiver and every delegate or sub-delegate appointed under Clause 21.1 (*Delegation*) separately to be its attorney on its behalf following the occurrence of an Event of Default, in its name:-

- (a) to execute and do any documents, acts and things which it is required to execute and do under this Debenture or any other document relating to the Secured Liabilities; and
- (b) to execute and do any documents, acts and things which any attorney may deem proper or desirable in exercising any powers, authorities and discretions conferred by this Debenture any documents relating to the Secured Liabilities or by law on the Hedging Counterparty or any Receiver.

21.2.2 The Chargor ratifies and confirms anything which any of its attorneys does in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in this Clause 21.2 (*Attorneys*).

**22. REDEMPTION OF PRIOR SECURITY INTERESTS**

**22.1 Redemption**

The Hedging Counterparty may at any time redeem, or procure the transfer to it of, any prior Security Interest over any Security Assets at the Chargor's cost.

## 22.2 Costs of redemption

All principal monies, interest, costs, charges and expenses incurred in and incidental to any redemption or transfer under Clause 22.1 (*Redemption*) shall be paid by the Chargor on demand, in each case together with interest calculated and in the manner referred to in Clause 26 (*Indemnities*).

## 23. RELEASES

### 23.1 Release

Upon the irrevocable and unconditional payment and discharge in full of the Secured Liabilities and the termination of all facilities which might give rise to Secured Liabilities, the Hedging Counterparty shall, or shall procure that its appointees will, at the request and cost of the Chargors:-

23.1.1 release the Security Assets from this Deed; and

23.1.2 re-assign the Security Assets that have been assigned to the Hedging Counterparty under this Deed.

### 23.2 Releases conditional

23.2.1 Any release, settlement, discharge, re-assignment or arrangement in respect of the Security (in this Clause 23, a "release") made by the Hedging Counterparty on the faith of any assurance, security or payment shall be conditional on that assurance, security or payment not being avoided, reduced, clawed back or ordered to be repaid under any law relating to liquidation, bankruptcy or insolvency.

23.2.2 If any avoidance, reduction, or clawback occurs or any order is made as referred to in Clause 23.1, then the release shall have no effect and shall not prejudice the Hedging Counterparty's right to enforce the Security in respect of the Secured Liabilities. As between the Chargor and the Hedging Counterparty, the Security shall (notwithstanding the release) be deemed to have remained at all times in effect and held by the Hedging Counterparty as security for the Secured Liabilities.

### 23.3 Retention

23.3.1 If and for so long as any assurance, security or payment as is mentioned in Clause 23.1 (*Releases conditional*) remains in the reasonable opinion of the Hedging Counterparty susceptible of being avoided, reduced, clawed back or ordered to be repaid under any law relating to liquidation, bankruptcy or insolvency, the Hedging Counterparty may in its absolute discretion retain all or part of the Security and other rights under this Debenture as security for the Secured Liabilities after they have been paid and discharged in full.

23.3.2 If, at any time while all or part of the Hedging Counterparty's rights under this Debenture are so retained:-

- (a) an application is made to a competent court for a winding-up order to be made in respect of the Chargor;
- (b) steps are taken to wind the Chargor up;
- (c) an application is made to a competent court for an administration order to be made in respect of the Chargor;
- (d) a notice of intention to appoint an administrator to the Chargor is filed at court; or
- (e) the appointment of an administrator to the Chargor takes effect,



then the Hedging Counterparty may continue to retain all or part of its rights under this Debenture for any further period as the Hedging Counterparty may determine in its absolute discretion.

## **24. CONTINUING SECURITY**

### **24.1 Continuing security**

The Security is continuing security and shall secure the ultimate balance of the Secured Liabilities, notwithstanding:-

24.1.1 intermediate payment or discharge of the whole or part of the Secured Liabilities;

24.1.2 the Chargor's liquidation or other incapacity or any change in its constitution, name or style;

24.1.3 any change in the Hedging Counterparty's constitution, name or style, its absorption in or amalgamation with any other person or the acquisition of all or part of its undertaking by any other person; or

24.1.4 any other event, matter or thing.

### **24.2 Additional to other rights**

The Security is in addition to (and shall not merge with, otherwise prejudice or affect or be prejudiced or affected by) any other remedy, guarantee, indemnity, Security Interest or other right which may be or have been created (by the Chargor or otherwise) in favour of the Hedging Counterparty. Accordingly, the Chargor's liability under this Debenture shall not be prejudiced or affected by, and this Debenture may be enforced notwithstanding:-

24.2.1 the existence or invalidity of all or any of those rights; or

24.2.2 at any time, the Hedging Counterparty exchanging, releasing, varying, abstaining from perfecting or enforcing or otherwise dealing or omitting to deal with all or any of those rights.

## **25. THIRD PARTY PROTECTION**

No purchaser, mortgagee or other person dealing with the Hedging Counterparty or a Receiver shall be concerned:-

25.1 to enquire whether any of the Secured Liabilities have become due or payable or remain unpaid or undischarged;

25.2 whether the power which the Hedging Counterparty or Receiver is purporting to exercise has become exercisable; or

25.3 to see to the application of any money paid to the Hedging Counterparty or to a Receiver.

## **26. INDEMNITIES**

The Chargor agrees to fully indemnify the Hedging Counterparty and any Receiver (and in the case of legal costs and expenses on a solicitor and own client basis) on demand against all liabilities, losses, claims, actions, damages, costs and expenses incurred by, made or brought against the Hedging Counterparty or Receiver (or any manager or agent appointed by the Hedging Counterparty or Receiver):-

26.1 as a result of the Chargor's failure to perform any of its obligations under this Debenture;

- 26.2 in the exercise (or purported exercise) of any of the powers or other rights conferred by this Debenture;
- 26.3 in respect of any costs, charges or expenses incurred in connection with Clause 19 (*Currency conversion*);
- 26.4 in respect of the redemption of any prior Security Interest over any Security Asset under Clause 22 (*Redemption of prior security interests*);
- 26.5 as a result of the Chargor's breach of any current or other obligation or matter relating to the Property; or
- 26.6 in respect of any other matter or thing done or omitted relating to the Security Assets,

together in each case with interest at the Interest Rate calculated on a daily basis from the date it is incurred or becomes payable to the Hedging Counterparty or the Receiver until the date of payment, whether before or after any judgment.

## 27. CALCULATIONS AND CERTIFICATES

Any certificate of or determination by the Hedging Counterparty specifying the amount of the Secured Liabilities is, in the absence of manifest error, conclusive evidence against the Chargor of the matters to which it relates.

## 28. PARTIAL INVALIDITY

All the provisions of this Debenture are severable and distinct from one another and if at any time any provision is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of any of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

## 29. REMEDIES AND WAIVERS

No failure to exercise nor any delay in exercising any right or remedy under this Debenture against the Chargor shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise, or the exercise of any other right or remedy. The rights and remedies provided are cumulative and not exclusive of any rights or remedies provided by law.

## 30. AMENDMENTS AND WAIVERS

Any provision of this Debenture may be amended only if the Chargor and the Hedging Counterparty agree in writing and any breach of this Debenture may be waived before or after it occurs only if the Hedging Counterparty so agrees in writing. A waiver given or consent granted by the Hedging Counterparty under this Debenture will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

## 31. TRANSFER AND CONFIDENTIALITY

### 31.1 Transfer

31.1.1 The Hedging Counterparty may assign and/or transfer its rights and obligations under this Debenture.

31.1.2 The Chargor shall not assign any of its rights or transfer any of its obligations under this Debenture.

### 31.2 Confidentiality

The Hedging Counterparty may disclose to:-

- 31.2.1 any transferee or potential transferee;
- 31.2.2 any assignee or potential assignee;
- 31.2.3 any person with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to or including the Secured Liabilities;
- 31.2.4 any ratings agency;
- 31.2.5 any of the officers, directors, employees, professional advisers, auditors, partners and representatives of the persons referred to in sub-clauses 31.2.1 to 31.2.4;
- 31.2.6 any of its Affiliates and to any of its or their officers, directors, employees, professional advisers, auditors, partners and representatives;
- 31.2.7 any person to whom information is required or requested to be disclosed by any court of a competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
- 31.2.8 any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes; and
- 31.2.9 any insurance company or underwriters in relation to the insurance of any of the properties,

such confidential information as the Hedging Counterparty shall consider appropriate.

## 32. **MANAGEMENT TIME**

The Hedging Counterparty reserves the right to charge for its management time or other resources (which will be calculated on the basis of such reasonable daily or hourly rates as the Hedging Counterparty may notify to the Chargor from time to time).

## 33. **COUNTERPARTS**

This Debenture may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same instrument and any party may enter into this Debenture by executing a counterpart.

## 34. **NOTICES**

### 34.1 **Communications in writing**

Any communication to be made under or in connection with this Debenture shall be made in writing in the English language and, unless otherwise stated, must be made by letter.

### 34.2 **Addresses**

The Hedging Counterparty may deliver any communication, document or notice to the Chargor relating to this Debenture to its registered office, to any address to which a notice under any facility relating to the Secured Liabilities might be sent or any additional address the Chargor may notify to the Hedging Counterparty by not less than five business days' notice.

**34.3 Delivery**

34.3.1 Any communication or document made or delivered by one person to another under or in connection with this Debenture will only be effective 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.

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

**35. PARALLEL SECURITY DOCUMENTS**

The Chargor may at any time enter into a Parallel Security Document. Entry into and performance of the terms of a Parallel Security Document shall not breach any term of this Debenture.

**36. GOVERNING LAW**

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

**37. ENFORCEMENT**

**37.1 Jurisdiction**

37.1.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture (including disputes regarding the existence, validity or termination of this Debenture, the Security Interests intended to be created by it or any non-contractual obligations arising out of or in connection with it) (a "**Dispute**").

37.1.2 The Chargor agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly it will not argue to the contrary.

37.1.3 This Clause 37.1 is for the benefit of the Hedging Counterparty only. The Hedging Counterparty may take proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Hedging Counterparty may take concurrent proceedings in any number of jurisdictions.

**IN WITNESS** whereof the Chargor has executed this Debenture as a deed the year and date appearing on the first page of it

# SCHEDULE 1

Name of Chargor	Original Jurisdiction	Registration number (or equivalent, if any)
THAT Bournemouth Big Hotel Limited	England and Wales	08565467
THAT Bournemouth Little Hotel Limited	England and Wales	08565837
THAT Bournemouth Car Park Limited	England and Wales	08565886
THAT Bournemouth Street Bar Limited	England and Wales	10866121
THAT Bournemouth H2 Limited	England and Wales	08563565

**SCHEDULE 2**  
**THE PROPERTY**  
**Registered land**

Owner	Property
THAT Bournemouth Big Hotel Limited	Leasehold property known as Block A Hotel, Cranborne Road, Bournemouth, with title number DT414571
THAT Bournemouth Little Hotel Limited	Leasehold property known as Block B Hilton Hotel, Terrace Road, Bournemouth (BH2 5EL), with title number DT414572
THAT Bournemouth Car Park Limited	Leasehold property known as Car Park, Terrace Road, Bournemouth, with title number DT414573
THAT Bournemouth H2 Limited	Leasehold property known as Hilton Hotel, Terrace Road, Bournemouth (BH2 5EL), with title number DT414570

**Unregistered land**

**NONE**

**SCHEDULE 3****SHARES**

<b>Number of Shares</b>	<b>Class of Shares</b>	<b>Company Name and Registered Number</b>	<b>Company Jurisdiction of Incorporation</b>
100	Ordinary Shares of £0.01 each	THAT Bournemouth Car Park Limited (08565886)	England and Wales
100	Ordinary Shares of £1.00 each	THAT Bournemouth Little Hotel Limited (08565837)	England and Wales
100	Ordinary Shares of £0.01 each	THAT Bournemouth Big Hotel Limited (08565467)	England and Wales
100	Ordinary Shares of £1.00	THAT Bournemouth Street Bar Limited (10866121)	England and Wales

**SCHEDULE 4**  
**ACCOUNTS**

**BLOCKED ACCOUNTS**

Account number	Account name	Account bank	Sort code

**ASSIGNED ACCOUNTS (other than Blocked Accounts)**

Account number	Account name	Account bank	Sort code





## **SCHEDULE 5**

### **MATERIAL CONTRACTS**

1. the Hampton by Hilton Hotel Management Agreement;
2. the Hilton Hotel Management Agreement;
3. the Hilton Hotel Franchise Agreement;
4. the Franchise Guarantee; and
5. The Hedging Agreement.

**SCHEDULE 6****ASSIGNED INSURANCES**

<b>Policy Provider</b>	<b>Policy Number</b>	<b>Policy Risk Address / Particulars</b>
Aviva Insurance Limited	100558219CPO	<ol style="list-style-type: none"><li>1. Car Park (including Public, Block A Residential, and Block C use), Bournemouth, BH2 5AQ</li><li>2. Block A - Big Hotel, Upper Terrace Road, Bournemouth, BH2 5AQ</li><li>3. Block A - Café, Upper Terrace Road, Bournemouth, BH2 5AQ</li><li>4. Block B - Little Hotel, Upper Terrace Road, Bournemouth, BH2 5AQ</li></ol>
Aviva Insurance Limited	97PRP3197311	Business insurance (pub and wine bar)

## SCHEDULE 7

### FORM OF NOTICE OF ASSIGNMENT OF MATERIAL CONTRACTS AND ASSIGNED CONTRACTS

To: [Counterparty to Material Contract or Assigned Contract]

Date: [ ] 20[ ]

Dear Sirs

#### [DESCRIPTION OF RELEVANT MATERIAL CONTRACT OR ASSIGNED CONTRACT] (THE "AGREEMENT")

1. We (the "**Company**") give you notice that we have assigned (and, to the extent not validly or effectively assigned, we have charged by way of fixed charge) by way of security to HSBC UK Bank plc in its capacity as lender (the "**Lender**") pursuant to a debenture entered into by us in favour of the Lender dated [ ] 20[ ] and to HSBC Bank plc in its capacity as hedging counterparty (the "**Hedging Counterparty**") pursuant to a debenture entered into by us in favour of the Hedging Counterparty dated [ ] 20[ ] (the "**Debentures**") all our right, title and interest from time to time in, and the full benefit of, the Agreement, including all moneys which may be payable in respect of the Agreement, including any claims for damages in respect of any breach of the Agreement.
2. Following receipt of the Hedging Counterparty's or the Hedging Counterparty's notification to you that the security created by the Debentures have become enforceable:-
  - 2.1 all payments to be made to us under or arising from the Agreement should be made to the Lender or the Hedging Counterparty or to the Lender's or the Hedging Counterparty's order as either may specify in writing from time to time [*specify bank account*];
  - 2.2 all remedies provided for in the Agreement or available at law or in equity are exercisable by the Lender and the Hedging Counterparty;
  - 2.3 you are authorised and instructed, without further approval from us, to comply with your obligations (including without limitation your payment obligations) under the Agreement in accordance with the written instructions of the Lender or the Hedging Counterparty from time to time (and to hold the money for any such payments to the Lender's or the Hedging Counterparty's order pending receipt of written instructions from the Lender or the Hedging Counterparty); and
  - 2.4 subject to paragraph 4 below, you shall allow the Lender or the Hedging Counterparty to perform all the obligations assumed by us under the Agreement.
3. You shall not be released from your obligations under the Agreement without the prior written consent of the Lender and the Hedging Counterparty.
4. We shall remain liable to perform all our obligations under the Agreement and neither the Lender nor the Hedging Counterparty shall be under any obligation of any kind whatsoever in respect of the Agreement.
5. You must not, without the Lender's and the Hedging Counterparty's prior written consent:-
  - 5.1 amend, novate, supplement, restate or replace the Agreement;
  - 5.2 agree to any waiver or release of any of your obligations under the Agreement; or
  - 5.3 exercise any right of set-off or counterclaim in relation to any amounts owed under or in connection with the Agreement.

6. With effect from the date of receipt of this notice, we irrevocably and unconditionally instruct and authorise you, without requiring further approval from us, to:-
- 6.1 promptly disclose to the Lender and the Hedging Counterparty such information relating to the Agreement as the Lender or the Hedging Counterparty may at any time request including, without limitation, all information, accounts and records in your possession or control that may be necessary or of assistance to enable the Lender or the Hedging Counterparty to verify the amount of all payments made or payable under the Agreement by you or the performance by you of all your obligations under the Agreement; and
  - 6.2 provide the Lender and the Hedging Counterparty with copies of all notices given or received under the Agreement promptly after they are given or received.
7. The authority and instructions contained in this notice cannot be revoked or varied by us without the prior written consent of the Lender and the Hedging Counterparty.
8. By countersigning this letter, you confirm that:-
- 8.1 you have not received notice of any previous assignments or charges of or over any of the rights, title and interests and benefits referred to in this notice other than a notice from HSBC UK Bank plc;
  - 8.2 no amendment, waiver or release of any of rights, interests and benefits referred to in this notice shall be effective without the prior written consent of the Lender and the Hedging Counterparty;
  - 8.3 no termination of any rights, interests or benefits referred to in this notice shall be effective unless we have given the Lender and the Hedging Counterparty thirty days written notice of the proposed termination (or if notice is not possible within that period, as soon as possible), specifying the action necessary to avoid such termination;
  - 8.4 no breach or default on our part of any of the terms of the Agreement shall be deemed to have occurred unless you have given notice of such breach to the Lender and the Hedging Counterparty specifying how to make good such breach; and
  - 8.5 you will not, without the Lender's and the Hedging Counterparty's prior written consent, exercise any right of set-off or counterclaim in relation to any amounts owed under or in connection with the Agreement.
9. This notice, and any dispute or claim arising out of or in connection with it, shall be governed by and construed in accordance with English law.

Please accept this notice and your acknowledgement of the matters and instructions set out above within 5 days of receipt by signing, dating and returning the enclosed copy of this letter to the Lender at HSBC UK Bank plc, 6th Floor, 71 Queen Victoria Street, London, EC4V 4AY marked for the attention of Anna Gregory and the Hedging Counterparty at HSBC Bank plc, 8 Canada Square, London E14 5HQ marked for the attention of *[insert details of the Relationship Manager]*.

Yours faithfully,

for and on behalf of  
**THAT BOURNEMOUTH BIG HOTEL LIMITED**  
**THAT BOURNEMOUTH LITTLE HOTEL LIMITED**  
**THAT BOURNEMOUTH CAR PARK LIMITED**  
**THAT BOURNEMOUTH STREET BAR LIMITED**  
**THAT BOURNEMOUTH H2 LIMITED**

**Acknowledged:**

For and on behalf of

*[Name of counterparty to Material Contract or Assigned Contract]*

## SCHEDULE 8

### FORM OF NOTICE OF ASSIGNMENT OF INSURANCE

To: [Insurer]

Date: [ ] 20[ ]

Dear Sirs

[DESCRIPTION OF RELEVANT INSURANCE POLIC[Y][IES] INCLUDING POLICY NUMBER] (THE "POLIC[Y][IES]") [refer to an attached schedule if there are a number of policies]

1. We give you notice that we have entered into a debenture dated [ ] in favour of HSBC UK Bank plc (the "Lender") and a debenture dated [ ] in favour of HSBC Bank plc (the "Hedging Counterparty") (the "Debentures").
2. We give you notice that, pursuant to the terms of the Debentures, we have assigned (and, to the extent not validly or effectively assigned, we have charged by way of fixed charge) to the Lender and the Hedging Counterparty by way of security all of our rights, title, interest and benefits in to or in respect of the Polic[y][ies] including the benefit of all claims and returns of premiums in respect thereof to which we are or may at any time become entitled.
3. With effect from the date of receipt of this notice, we instruct you to:-
  - 3.1 name the Lender and the Hedging Counterparty as loss payee in respect of [each of] the Polic[y][ies];
  - 3.2 promptly inform the Lender and the Hedging Counterparty, without further approval from us, of any default in the payment of any premium or failure to renew [the][any] Policy;
  - 3.3 advise the Lender and the Hedging Counterparty promptly of any proposed cancellation of [the][any] Policy and in any event at least 30 days before the cancellation is due to take place;
  - 3.4 if the insurance cover under [the][any] Policy is to be reduced or any insured risks are to be restricted, advise the Lender and the Hedging Counterparty at least 30 days before the reduction or restriction is due to take effect; and
  - 3.5 disclose to the Lender and the Hedging Counterparty, without further approval from us, such information regarding the Polic[y][ies] as the Lender or the Hedging Counterparty may from time to time request and to send it copies of all notices issued by you under the Polic[y][ies].
4. Following receipt of the Lender's or the Hedging Counterparty's notification to you that the security created by the Debentures have become enforceable:-
  - 4.1 all payments and claims under or arising from the Polic[y][ies] are to be made to the Lender or the Hedging Counterparty to such account (or to the Lender's or the Hedging Counterparty's order) as either may specify in writing from time to time;
  - 4.2 all remedies provided for in the Polic[y][ies] or available at law or in equity are to be exercisable by the Lender and the Hedging Counterparty; and
  - 4.3 all rights to compel the performance of the Polic[y][ies] are to be exercisable by the Lender and the Hedging Counterparty.



5. With effect from your receipt of this notice all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Polic[y][ies] (including all rights to compel performance) belong to and are exercisable by the Lender and the Hedging Counterparty.
6. The authority and instructions contained in this notice cannot be revoked or varied by us without the prior written consent of the Lender and the Hedging Counterparty.
7. By countersigning this letter, you confirm that:-
  - 7.1 you have not received notice of any previous assignments or charges of or over any of the rights, title and interests and benefits referred to in this notice other than a notice from HSBC UK Bank plc;
  - 7.2 no amendment or termination of [the][any] Policy shall be effective unless you have given the Lender and the Hedging Counterparty 30 days written notice of it or, if it is not possible to comply with such notification to the Lender and the Hedging Counterparty in accordance with the provisions of the [relevant] Policy, the notice will be provided to the Lender and the Hedging Counterparty in relation to such termination as soon as possible; and
  - 7.3 you will not, without the Lender's and the Hedging Counterparty's prior written consent, exercise any right of set-off or counterclaim in relation to any amounts owed under or in connection with [the][any] Policy.
8. This notice, and any dispute or claim arising out of or in connection with it, shall be governed by and construed in accordance with English law.

Please accept this notice and your acknowledgement of the matters and instructions set out above within 5 days of receipt by signing, dating and returning the enclosed copy of this letter to the Lender at HSBC UK Bank plc, 6th Floor, 71 Queen Victoria Street, London, EC4V 4AY marked for the attention of Anna Gregory and the Hedging Counterparty at HSBC Bank plc, 8 Canada Square, London E14 5HQ marked for the attention of *[insert details of the Relationship Manager]*.

Yours faithfully,

for and on behalf of  
**THAT BOURNEMOUTH BIG HOTEL LIMITED**  
**THAT BOURNEMOUTH LITTLE HOTEL LIMITED**  
**THAT BOURNEMOUTH CAR PARK LIMITED**  
**THAT BOURNEMOUTH STREET BAR LIMITED**  
**THAT BOURNEMOUTH H2 LIMITED**

**Acknowledged:**

For and on behalf of

*[Name of insurer]*

## SCHEDULE 9

### FORM OF NOTICE OF ASSIGNMENT OF ASSIGNED ACCOUNTS (OTHER THAN BLOCKED ACCOUNTS)

To: [Account Bank]

Date: [ ] 20[ ]

Dear Sirs

1. We give you notice that we have entered into a debenture dated [ ] in favour of HSBC UK Bank plc (the "Lender") and a debenture dated [ ] in favour of HSBC Bank plc (the "Hedging Counterparty") (the "Debentures").
2. We refer to the following bank account[s] which we hold with you (and any replacement account or subdivision or subaccount of [that][each] account) (the "Assigned Account[s]"):

Account holder	Account name	Account number	Sort code

3. We give you notice that, pursuant to the terms of the Debentures, we have assigned (and, to the extent not validly or effectively assigned, we have charged by way of fixed charge) to the Lender and the Hedging Counterparty by way of security all of our rights, title and interest from time to time in the Assigned Account[s] including, without limitation all Account Balances (as defined in the Debentures) in respect of the Assigned Account[s] (whether in sterling or any other currency and whether in addition to or by way of renewal or replacement for any sums previously deposited or otherwise) together with all interest accruing from time to time in respect of such money.
4. With effect from the date of receipt of this notice:-
  - 4.1 any existing payment instructions affecting the Assigned Account[s] are to be terminated upon receipt of further written notice from the Lender or the Hedging Counterparty and all payments and communications in respect of the Assigned Account[s] thereafter should be made to the Lender or the Hedging Counterparty or to the Lender's or the Hedging Counterparty's order;
  - 4.2 all Account Balances relating to the Assigned Account[s] are to be held to the order of the Lender and the Hedging Counterparty upon receipt of written notice from the Lender or the Hedging Counterparty; and
  - 4.3 all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Assigned Account[s] belong to the Lender and the Hedging Counterparty upon receipt of further written notice from the Lender or the Hedging Counterparty.
5. We may continue to withdraw or otherwise transfer the whole or any part of any Account Balance relating to the Assigned Account[s] without the prior written consent of the Lender or the Hedging Counterparty until you receive written notice from the Lender or the Hedging Counterparty that we may no longer do so.

6. We irrevocably and unconditionally authorise and instruct you to disclose to the Lender and the Hedging Counterparty such information relating to the Assigned Accounts as the Lender or the Hedging Counterparty may from time to time request you to provide.

7. By countersigning this letter, you confirm that:-

7.1 the balance standing to each Assigned Account at today's date is set out in the below table:-

Account name	Account number

7.2 no fees or periodic charges are payable in respect of the Assigned Account[s] and there are no restrictions on:-

7.2.1 the payment of the Account Balance on the Assigned Account[s]; or

7.2.2 the assignment of the Assigned Account[s] to the Lender or the Hedging Counterparty or any third party;

7.3 you have not received notice of any previous assignments of, charges over or trusts in respect of, the Assigned Account[s] other than a notice from HSBC UK Bank plc;

7.4 you will not, after receipt of further written notice from the Lender or the Hedging Counterparty, without the Lender's or the Hedging Counterparty's consent:-

7.4.1 exercise any right of combination, consolidation or set-off which you may have in respect of the Assigned Account[s]; or

7.4.2 amend or vary any rights attaching to the Assigned Account[s];

7.5 after receipt of written notice from the Lender or the Hedging Counterparty, you will act only in accordance with the instructions given by persons authorised by the Lender or the Hedging Counterparty;

7.6 after receipt of written notice from the Lender or the Hedging Counterparty, you will not permit us to withdraw or otherwise transfer the whole or any part of the Account Balance relating to the Assigned Account[s] without the Lender's or the Hedging Counterparty's prior written consent;

7.7 after receipt of written notice from the Lender or the Hedging Counterparty, you shall send all statements and other notices given by you relating to the Assigned Account[s] to the Lender and the Hedging Counterparty; and

7.8 you will comply with the terms of the notice of assignment.

8. The authority and instructions contained in this notice cannot be revoked or varied by us without the prior written consent of the Lender and the Hedging Counterparty.

9. This notice, and any dispute or claim arising out of or in connection with it, shall be governed by and construed in accordance with English law.

Please accept this notice and your acknowledgement of the matters and instructions set out above within 5 days of receipt by signing, dating and returning the enclosed copy of this letter to the Lender at HSBC UK Bank plc, 6th Floor, 71 Queen Victoria Street, London, EC4V 4AY marked for the attention of Anna Gregory the Hedging Counterparty at HSBC Bank plc, 8 Canada Square, London E14 5HQ marked for the attention of *[insert details of the Relationship Manager]*.

Yours faithfully,

for and on behalf of  
THAT BOURNEMOUTH BIG HOTEL LIMITED  
THAT BOURNEMOUTH LITTLE HOTEL LIMITED  
THAT BOURNEMOUTH CAR PARK LIMITED  
THAT BOURNEMOUTH STREET BAR LIMITED  
THAT BOURNEMOUTH H2 LIMITED

Acknowledged:

For and on behalf of

*[Name of account bank]*

## SCHEDULE 10

### FORM OF NOTICE OF ASSIGNMENT OF BLOCKED ACCOUNTS

To: [Account Bank]

Date: [ ] 20[ ]

Dear Sirs

1. We give you notice that we have entered into a debenture dated [ ] in favour of HSBC UK Bank plc (the "Lender") and a debenture dated [ ] in favour of HSBC Bank plc (the "Hedging Counterparty") (the "Debentures").
2. We refer to the following bank account[s] which we hold with you (and any replacement account or subdivision or subaccount of [that][each] account) (the "Blocked Account[s]):-

Account holder	Account name	Account number	Sort code

3. We give you notice that, pursuant to the terms of the Debentures, we have assigned (and, to the extent not validly or effectively assigned, we have charged by way of fixed charge) to the Lender and the Hedging Counterparty by way of security all of our rights, title and interest from time to time in the Blocked Account[s] including, without limitation all Account Balances (as defined in the Debentures) relating to the Blocked Account[s] (whether in sterling or any other currency and whether in addition to or by way of renewal or replacement for any sums previously deposited or otherwise) together with all interest accruing from time to time in respect of such money.
4. With effect from the date of this notice:-
  - 4.1 any existing payment instructions affecting the Blocked Accounts are to be terminated and all payments and communications in respect of the Blocked Accounts should be made to the Lender or the Hedging Counterparty or to the Lender's or the Hedging Counterparty's order;
  - 4.2 all Account Balances relating to the Blocked Account[s] are to be held to the order of the Lender and the Hedging Counterparty; and
  - 4.3 all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Blocked Account[s] belong to the Lender and the Hedging Counterparty.
5. We are permitted to withdraw or otherwise transfer the whole or any part of the Account Balances relating to the Blocked Account[s] in the following circumstances without the prior written consent of the Lender and the Hedging Counterparty: *[insert agreed operating procedures for the Blocked Account[s]]*.
6. We irrevocably and unconditionally authorise and instruct you to disclose to the Lender and the Hedging Counterparty such information relating to the Blocked Accounts as the Lender or the Hedging Counterparty may from time to time request you to provide.

7. By countersigning this letter, you confirm that:-

- 7.1 no fees or periodic charges are payable in respect of the Blocked Account[s] and there are no restrictions on:-
  - 7.1.1 the payment of any Account Balance relating to the Blocked Account[s]; or
  - 7.1.2 the assignment of the Blocked Account[s] to the Lender or the Hedging Counterparty or any third party;
- 7.2 you have not received notice of any previous assignments of, charges over or trusts in respect of, the Blocked Account[s] other than a notice from HSBC UK Bank plc;
- 7.3 you will not, without the Lender's or the Hedging Counterparty's consent:-
  - 7.3.1 exercise any right of combination, consolidation or set-off which you may have in respect of the Blocked Account[s]; or
  - 7.3.2 amend or vary any rights attaching to the Blocked Account[s];
- 7.4 save as specifically set out in this notice, you will act only in accordance with the instructions given by persons authorised by the Lender or the Hedging Counterparty;
- 7.5 save as specifically set out in this notice, you will not permit us to withdraw or otherwise transfer the whole or any part of the Account Balances relating to the Blocked Account[s] without the Lender's or the Hedging Counterparty's prior written consent;
- 7.6 you shall send all statements and other notices given by you relating to the Blocked Account[s] to the Lender and the Hedging Counterparty; and
- 7.7 you will comply with the terms of the notice of assignment.

8. The authority and instructions contained in this notice cannot be revoked or varied by us without the prior written consent of the Lender and the Hedging Counterparty.

9. This notice, and any dispute or claim arising out of or in connection with it, shall be governed by and construed in accordance with English law.

Please accept this notice and your acknowledgement of the matters and instructions set out above within 5 days of receipt by signing, dating and returning the enclosed copy of this letter to the Lender at HSBC UK Bank plc, 6th Floor, 71 Queen Victoria Street, London, EC4V 4AY marked for the attention of Anna Gregory and the Hedging Counterparty at HSBC Bank plc, 8 Canada Square, London E14 5HQ marked for the attention of *[insert details of the Relationship Manager]*.

Yours faithfully,

for and on behalf of  
**THAT BOURNEMOUTH BIG HOTEL LIMITED**  
**THAT BOURNEMOUTH LITTLE HOTEL LIMITED**  
**THAT BOURNEMOUTH CAR PARK LIMITED**  
**THAT BOURNEMOUTH STREET BAR LIMITED**  
**THAT BOURNEMOUTH H2 LIMITED**

**Acknowledged:**

For and on behalf of

[Name of account bank]

With effect from the date of your receipt of this notice:-



EXECUTION PAGE

THE CHARGORS

EXECUTED as a Deed (but not delivered until )  
dated) by  
THAT BOURNEMOUTH CAR PARK LIMITED )  
acting by a Director in the presence of a witness

) Director

)

Name of Director STEVEN BROWN

Signature of Witness:

[Redacted Signature]

Name of Witness: LAUREN HUTCHINS

Occupation of Witness: CHARTERED ACCOUNTANT

Address of Witness:

[Redacted Address]

EXECUTED as a Deed (but not delivered until )  
dated) by  
THAT BOURNEMOUTH LITTLE HOTEL LIMITED )  
acting by a Director in the presence of a witness

) Director

)

Name of Director STEVEN BROWN

Signature of Witness:

[Redacted Signature]

Name of Witness: LAUREN HUTCHINS

Occupation of Witness: CHARTERED ACCOUNTANT

Address of Witness:

[Redacted Address]

EXECUTED as a Deed (but not delivered until )  
dated) by  
THAT BOURNEMOUTH BIG HOTEL LIMITED )  
acting by a Director in the presence of a witness

) Director

Name of Director

STEVEN BROWN

Signature of Witness:

[Redacted Signature]

Name of Witness:

LAUREN HUTCHINS

Occupation of Witness:

CHARTERED ACCOUNTANT

Address of Witness:

[Redacted Address]

EXECUTED as a Deed (but not delivered until )  
dated) by  
THAT BOURNEMOUTH STREET BAR LIMITED )  
acting by a Director in the presence of a witness

) Director

Name of Director

STEVEN BROWN

Signature of Witness:

[Redacted Signature]

Name of Witness:

LAUREN HUTCHINS

Occupation of Witness:

CHARTERED ACCOUNTANT

Address of Witness:

[Redacted Address]

EXECUTED as a Deed (but not delivered until )  
dated) by  
THAT BOURNEMOUTH H2 LIMITED )  
acting by a Director in the presence of a witness )

) Director

Name of Director

STEVEN BROWN

Signature of Witness:

[Redacted Signature]

Name of Witness:

LAUREN HUTCHINS

Occupation of Witness:

CHARTERED ACCOUNTANT

Address of Witness:

[Redacted Address]

**THE HEDGING COUNTERPARTY**

**SIGNED** as attorney for HSBC UK Bank plc, pursuant of attorney dated )  
23 January 2018 acting as attorney for **HSBC BANK PLC**, pursuant to the )  
power of attorney granted to HSBC UK Bank plc dated 1 July 2018. )



Communications to the Hedging Counterparty are to be delivered to: **Parminder Bains**

Address: 8 Canada Square, London E14 5HQ

For the attention of: **Parminder Bains**