

CHFP025
06/14 Version 2.0 Laserform International 6/14

MR01

Particulars of a charge

4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.

Brief description

Le Méridien Piccadilly Hotel, 21 Piccadilly, London W1J 0BH, England registered in the Land Registry under Title Number NGL 474733

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument".

Please limit the description to the available space.

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box.

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box.

☒ Yes Continue

☐ No Go to Section 7

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box.

☒ Yes

☐ No

8

Trustee statement ¹

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge.

☐

¹ This statement may be filed after the registration of the charge (use form MR06).

9

Signature

Please sign the form here.

Signature

Signature

X  X

for and on behalf of Burness Paull LLP

This form must be signed by a person with an interest in the charge.

MR01**Particulars of a charge****Presenter information**

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Rebecca Clark

Company name BURNES PAULL LLP

Address 50 LOTHIAN ROAD

FESTIVAL SQUARE

Post town EDINBURGH

County/Region

Postcode E H 3 9 W J

Country

DX ED73 EDINBURGH

Telephone 0131 473 6000

**Certificate**

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have included a certified copy of the instrument with this form.
- ☐ You have entered the date on which the charge was created.
- ☐ You have shown the names of persons entitled to the charge.
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8.
- ☐ You have given a description in Section 4, if appropriate.
- ☐ You have signed the form.
- ☐ You have enclosed the correct fee.
- ☐ Please do not send the original instrument; it must be a certified copy.

**Important information**

Please note that all information on this form will appear on the public record.

**How to pay**

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House.'

**Where to send**

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales:

The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:

The Registrar of Companies, Companies House, Fourth floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

For companies registered in Northern Ireland:

The Registrar of Companies, Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.

**Further information**

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 74783

Charge code: SC07 4783 0010

The Registrar of Companies for Scotland hereby certifies that a charge dated 12th November 2015 and created by HHR PICCADILLY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 19th November 2015.

Given at Companies House, Edinburgh on 27th November 2015



Companies House



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

Certified a true copy

Edinburgh 18 November 2015

Ally H
for and on behalf of Burness Paul LLP

EXECUTION VERSION

DATED 12 NOVEMBER 2015

HHR PICCADILLY LIMITED

AS THE BORROWER

IN FAVOUR OF

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK

AS THE SECURITY AGENT

SECURITY AGREEMENT

CONTENTS

Clause	Page
1. Definitions and Interpretation	1
2. Covenant to Pay	4
3. Common Provisions	4
4. Fixed Security	4
5. Floating Charges	6
6. Provisions as to Security and perfection	6
7. Further Assurance	9
8. Accounts	9
9. Enforcement of Security	10
10. Extension of Powers and Right of Appropriation	10
11. Appointment of Receiver or Administrator	12
12. Powers of Receivers	13
13. Application of Moneys	13
14. Protection of Purchasers	14
15. Power of Attorney	14
16. Effectiveness of Security	15
17. Prior Security Interests	18
18. Subsequent Security Interests	18
19. Suspense Accounts	19
20. Release of Security	19
21. Set-Off	19
22. Discretion and Delegation	20
23. Governing Law	20

24. Jurisdiction.....	20
Schedule 1 Mortgaged Property.....	21
Schedule 2 Lease Documents	22
Part A Notice of Security: Lease Documents	22
Part B Acknowledgement of Notice of Security.....	23
Schedule 3 Insurances.....	24
Part A Notice of Security to Insurers.....	24
Part B Acknowledgement of Notice of Security.....	26
Schedule 4 Accounts.....	28
Part A Notice of Security to Account Bank.....	28
Part B Acknowledgement of Security by Account Bank.....	30
Schedule 5 Hedging Agreements.....	31

THIS SECURITY AGREEMENT is made by way of deed on 12 November 2015 by:

- (1) HHR PICCADILLY LIMITED (incorporated and registered in Scotland with registered number SC074783) (the "**Borrower**") in favour of;
- (2) CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK as security trustee for each of the Secured Parties (the "**Security Agent**").

IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Security Agreement:

"**Enforcement Event**" means the occurrence of an Event of Default which is continuing and the Agent has given notice in accordance with clause 23.16 (*Acceleration*) of the Facility Agreement.

"**Facility Agreement**" means the Facility Agreement dated on or about the date of this Security Agreement between, amongst others, the Borrower and Crédit Agricole Corporate and Investment Bank as the Arranger, Agent, Security Agent, Original Lender and Original Hedge Counterparty (each as defined in that agreement as amended, varied, novated or supplemented from time to time).

"**Investment**" means all Shares, securities, certificates of deposit and other investments, all interests in collective investment schemes and partnerships and all warrants, options and rights to subscribe for any investment whether held directly by or to the order of the Borrower or by any trustee, nominee, custodian, fiduciary or clearance system on its behalf (including all rights against any such trustee, nominee, custodian, fiduciary or clearance system).

"**Mortgaged Property**" means the leasehold property specified in Schedule 1 (*Mortgaged Property*).

"**Real Property**" means (including as provided in Clause 1.5 (*Real Property*)), the Mortgaged Property and any present or future freehold or leasehold or immoveable property situs, located or deemed situs in England or Wales and any other interest in land or buildings situs, located or deemed situs in England or Wales and all rights relating thereto in which the Borrower has an interest.

"**Receiver**" means a receiver, receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of the Security Assets and that term will include any appointee made under a joint or several appointment.

"**Related Rights**" means, in relation to any asset:

- (a) the proceeds of sale or rental of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;

- (c) all rights, powers, benefits, claims, causes of action, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of or derived from that asset; and
- (d) any moneys and proceeds paid or payable in respect of that asset.

"Scottish Assets" means all and any of the undertaking, property and assets whatsoever of the Borrower (both present and future) situs, located or deemed to be situs in Scotland or otherwise governed by Scots law and **"Scottish Asset"** shall be construed accordingly.

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

"Secured Parties" means the Agent, the Security Agent, the Arranger, each Hedge Counterparty, each Lender and any Receiver or Delegate.

"Security Assets" means each of the assets and undertaking of the Borrower which from time to time are, or are expressed to be, the subject of any Security created or expressed to be created by it in favour of the Security Agent by or pursuant to this Security Agreement.

"Security Period" means the period beginning on the date of this Security Agreement and ending on the date on which the Secured Liabilities have been irrevocably and unconditionally paid or discharged in full.

"Share" means any stock, share, debenture or other security.

1.2 Terms defined in other Finance Documents

Unless defined in this Security Agreement, or the context otherwise requires, a term defined in the Facility Agreement or in any other Finance Document has the same meaning in this Security Agreement or any notice given under or in connection with this Security Agreement, as if all references in those defined terms to the Facility Agreement or other Finance Document were a reference to this Security Agreement or that notice.

1.3 Construction

Clauses 1.2 (*Construction*) and 1.3 (*Currency symbols and definitions*) of the Facility Agreement will apply as if incorporated in this Security Agreement or in any notice given under or in connection with this Security Agreement, as if all references in that clause to the Facility Agreement were a reference to this Security Agreement or that notice.

1.4 Application of provisions in Facility Agreement

Clauses 1.4 (*Third party rights*), 8.5 (*Default interest*), 12 (*Tax gross up and indemnities*), 14 (*Other indemnities*), 16 (*Costs and expenses*), 25.1 (*Assignments and transfers by Borrower*), 31 (*Payment mechanics*), 33 (*Notices*), 34.1 (*Accounts*), 34.2

(*Certificates and determinations*), 37 (*Amendments and waivers*) and 42 (*Enforcement*) of the Facility Agreement are deemed to form part of this Security Agreement as if expressly incorporated into it and as if all references in those clauses to the Facility Agreement were references to this Security Agreement.

1.5 Real Property

A reference in this Security Agreement to a mortgage, assignment or charge of any freehold, leasehold or commonhold property includes all buildings, fixtures and fittings from time to time on or forming part of that property and all Related Rights.

1.6 Present and future assets

- (a) A reference in this Security Agreement to any Mortgaged Property, Security Asset or other asset includes, unless the contrary intention appears, present and future Mortgaged Property, Security Assets and other assets.
- (b) The absence of or incomplete details of any Security Assets in any Schedule shall not affect the validity or enforceability of any Security under this Security Agreement.

1.7 Disposition of Property

The terms of the Facility Agreement and each other Finance Document and of any side letters between the Parties in relation to the Finance Documents are incorporated into this Security Agreement and each other Finance Document to the extent required for any purported disposition of any Real Property contained in any Finance Document to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.8 Fixed Security

Clauses 4.1 (*Mortgage*) to 4.3 (*Fixed charges*) shall be construed as creating a separate and distinct mortgage, fixed charge or assignment by way of security over each relevant asset within any particular class of assets defined under this Security Agreement and the failure to create an effective mortgage, fixed charge or assignment by way of security (whether arising out of this Security Agreement or any act or omission by any party) on any one asset shall not affect the nature of any mortgage, fixed charge or assignment imposed on any other asset whether within that same class of assets or not.

1.9 No obligation

The Security Agent shall not be under any obligation in relation to the Security Assets as a consequence of this Security Agreement and the Borrower shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Security Assets.

2. COVENANT TO PAY

The Borrower covenants with the Security Agent (as security trustee for the Secured Parties) that it shall, on demand of the Security Agent pay, discharge and satisfy the Secured Liabilities in accordance with their respective terms.

3. COMMON PROVISIONS

3.1 Common provisions as to all Security

All the Security constituted by or pursuant to this Security Agreement is:

- (a) created with full title guarantee (save for in respect of any Scottish Assets);
- (b) created in favour of the Security Agent as security trustee for the Secured Parties and the Security Agent shall hold the benefit of this Security Agreement and the Security created by or pursuant to it on trust for the Secured Parties; and
- (c) continuing security for the payment and discharge of all the Secured Liabilities.

4. FIXED SECURITY

4.1 Mortgage

The Borrower charges, by way of first legal mortgage, the Mortgaged Property.

4.2 Assignment by way of Security

The Borrower assigns and agrees to assign absolutely (to the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 4.1 (*Mortgage*) and to the fullest extent assignable or capable of assignment without infringing any contractual provision restricting the same), all of its right, title and interest from time to time in and to each of the following assets (other than any Scottish Assets):

- (a) any agreements, contracts, deeds, leases, licences, undertakings, guarantees, covenants, warranties, representations and other documents entered into by, given to or otherwise benefiting the Borrower in respect of the Real Property and all other Related Rights;
- (b) any sums paid or payable to or for the benefit of the Borrower arising from the letting, use or occupation of all or any part of any Real Property and all sums paid or payable and any other consideration given or to be given for the disposal of an interest in all or part of any Real Property and the right to make demand for and receive the same; and
- (c) any policy of insurance in which the Borrower may at any time have an interest and all proceeds paid or payable thereunder and all other Related Rights.

4.3 Fixed charges

The Borrower charges (to the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 4.1 (*Mortgage*) or assigned pursuant to Clause 4.2 (*Assignment by way of Security*)) by way of first fixed charge, all of its rights, title and interest from time to time in and to each of the following assets (other than any Scottish Assets):

- (a) the Real Property and all Related Rights;
- (b) any account maintained by the Borrower and designated as a finance costs account, cash trap account, deposit account, insurance proceeds account and general account (and in each case, its interest in any replacement account or sub-account or sub-division of that account) and the debt or debts represented thereby and all other Related Rights;
- (c) each of its accounts with any bank, building society, financial institution or other person (including any replacement account or sub-division or sub-account of that account) and the debt or debts represented thereby and all other Related Rights;
- (d) any master agreement, confirmation, transaction, schedule or other agreement entered into or to be entered into by the Borrower and the Original Hedge Counterparty for the purpose of hedging interest or otherwise evidencing or relating to any swap, cap, floor, collar or option transaction or any other treasury transaction or any combination of the same or any other transaction entered into in connection with protection against or benefit from fluctuation or movement in interest or currency rates or any other rate, index or return howsoever described and all proceeds paid or payable thereunder and all Related Rights;
- (e) book and other debts and monetary claims owing to it and any proceeds of those debts and claims (including any claims or sums of money deriving from or in relation to any court order or judgment, the proceeds of any insurance policy, any contract or agreement to which the Borrower is a party and any other assets, property, rights or undertaking of the Borrower) and all Related Rights;
- (f) patents, trademarks, service marks, designs, business and trade names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests to which it is entitled, whether registered or unregistered, the benefit of all applications and its rights to use such assets and all Related Rights;
- (g) plant, machinery, office equipment, computers, vehicles, furniture, fittings and other chattels (excluding any for the time being forming part of the Borrower's stock in trade or work in progress) and all Related Rights;
- (h) goodwill and rights and claims in relation to its uncalled share capital;

- (i) rights to recover any VAT on any supplies made to it relating to the Security Assets and any sums so recovered;
- (j) Investments and all Related Rights (including all rights against any trustee, nominee, fiduciary or clearance system in respect of those Investments); and
- (k) each of the assets which are specified in Clause 4.2 (*Assignment by way of Security*).

5. FLOATING CHARGES

5.1 Floating charge

- (a) The Borrower charges, by way of first floating charge, all present and future assets and undertaking of the Borrower.
- (b) The floating charge created by paragraph (a) above shall be deferred in point of priority to all fixed Security validly and effectively created by the Borrower under the Finance Documents in favour of the Security Agent as security for the Secured Liabilities.
- (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charges created by paragraph (a) above.

5.2 Conversion of floating charge to fixed Security

- (a) The Security Agent may at any time, while this Security Agreement is enforceable in accordance with Clause 9 (*Enforcement of security*) by notice to the Borrower convert the floating charge constituted under Clause 5.1 (*Floating charge*) with immediate effect into a fixed charge as regards any asset (other than any Scottish Asset) which is the subject of the floating charge or which is specified in the notice.
- (b) In addition, without prejudice to any law which may have a similar effect, the floating charge constituted under Clause 5.1 (*Floating charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all assets the subject of the floating charge (other than any Scottish Assets) if:
 - (i) the Borrower creates or attempts to create any Security (other than any Security permitted under the terms of the Facility Agreement), over any of the Security Assets; and
 - (ii) any person levies or attempts to levy any distress, execution or other process against any of the Security Assets.

6. PROVISIONS AS TO SECURITY AND PERFECTION

6.1 Negative pledge and restriction on dealings

Except where agreed in writing by the Security Agent or as permitted under the Finance Documents, the Borrower will not, at any time during the Security Period,

create or permit to subsist any Security over all or any part of the Security Assets or dispose of or otherwise deal with any part of the Security Assets.

6.2 Implied covenants for title

- (a) The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clauses 4 (*Fixed Security*) or 5 (*Floating charge*).
- (b) It shall be implied in respect of Clauses 4 (*Fixed Security*) and 5 (*Floating charge*) that the Borrower is disposing of the Security Assets free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment), other than those set out in the Property Report in relation to the Property and the surveys and reports delivered pursuant to the Facility Agreement.

6.3 Notices of Security: Lease Documents

Promptly upon the occurrence of an Enforcement Event, in relation to all Lease Documents relating to the Real Property, the Borrower shall:

- (a) deliver to the Security Agent a duly executed notice addressed to each relevant person which is party to any Lease Document, of the Security constituted by this Security Agreement, such notice being substantially in the form set out in Schedule 2 (*Lease Documents*); and
- (b) use reasonable endeavours to procure from each relevant person an acknowledgement substantially in the form set out in such notice of security.

6.4 Notices of Security: Insurances

Promptly:

- (a) upon the date of this Security Agreement, in relation to all Insurances (other than any Insurances which are Scottish Assets) in existence on the date of this Security Agreement; or
- (b) if later, upon the Borrower entering into any Insurances (other than any Insurances which are Scottish Assets),

the Borrower shall:

- (i) deliver to the Security Agent a duly executed notice addressed to each relevant person which is party to such Insurances, of the Security constituted by this Security Agreement, such notice being substantially in the form set out in Schedule 3 (*Insurances*); and
- (ii) use reasonable endeavours to procure from each relevant person an acknowledgement substantially in the form set out in such notice of security.

6.5 Notice of Security: Accounts

Promptly upon the date of this Security Agreement in relation to each account maintained by it which is the subject of the Security created by this Security Agreement (other than any such account which is a Scottish Asset), or if later, upon the opening by it of any other such account (other than any such account which is a Scottish Asset), the Borrower shall:

- (a) deliver to the Security Agent a duly executed notice addressed to each relevant bank, building society or other person of the Security constituted by this Security Agreement, such notice being substantially in the form set out in Schedule 4 (*Accounts*); and
- (b) use reasonable endeavours to procure from each relevant person an acknowledgement substantially in the form set out in such notice of security.

6.6 Notice of Security: Hedging Agreements

Promptly upon the date of this Security Agreement, in relation to all Hedging Agreements in existence on the date of this Security Agreement, or if later, immediately upon the entry into of any such Hedging Agreement, the Borrower shall deliver to the Security Agent a duly executed notice addressed to each Hedge Counterparty of the Security constituted by this Security Agreement, such notice being substantially in the form set out in Schedule 5 (*Hedging Agreements*).

6.7 Deposit of title deeds

The Borrower shall:

- (a) immediately upon the execution of this Security Agreement (and upon the acquisition by it of any interest in any Security Asset at any time) deposit (or procure the deposit) with the Security Agent all deeds, certificates and other documents constituting or evidencing title to the Security Assets unless held by, or required to be delivered to, any holder of a Security ranking in priority to that of the Security Agent; and
- (b) deposit with the Security Agent at any time thereafter any further such deeds, certificates, instruments of transfer and other documents, promptly upon coming into possession of any of those items.

6.8 Application to the Land Registry

The Borrower hereby consents to an application being made to the Land Registry to enter the following restriction in the Proprietorship Register of any registered land at any time forming part of the Real Property.

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

6.9 Further advances

- (a) Subject to the terms of the Facility Agreement, each Lender is under an obligation to make further advances to the Borrower and that obligation will be deemed to be incorporated in this Security Agreement as if set out in this Security Agreement.
- (b) The Borrower consents to an application being made to the Land Registry to enter the obligation to make further advances on the Charges Register of any registered land situs, located, or deemed situs in England or Wales forming part of the Security Assets.

7. FURTHER ASSURANCE

7.1 Further assurance

- (a) The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in paragraph (b) below.
- (b) The Borrower shall promptly, at its own cost, take all such action (including filings, registrations and notarisations and applying for relief against forfeiture) and execute all such documents (including assignments, transfers, mortgages, charges, notarisations, registrations, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require) in favour of the Security Agent or its nominee(s) to:
 - (i) create, perfect, protect and/or maintain the Security created or intended to be created in respect of the Security Assets in accordance with the rights vested in it under this Agreement (which may include the execution by the Borrower of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, Security Assets) or for the exercise of any of the rights, powers and remedies of the Security Agent provided by or pursuant to this Security Agreement or by law;
 - (ii) confer on the Security Agent Security over any asset or undertaking of the Borrower located in any jurisdiction outside England and Wales equivalent or similar to the security intended to be conferred by or pursuant to this Security Agreement; and/or
 - (iii) after the Security created by or pursuant to this Security Agreement has become enforceable in accordance with Clause 9, facilitate the realisation of the Security Assets.

8. ACCOUNTS

The Security Agent may, at any time on behalf of any Secured Party while this Security Agreement is enforceable in accordance with Clause 9 (*Enforcement of security*), without prior notice:

- (a) set-off, transfer or apply any Account and any other account which is the subject of the security created by this Security Agreement and any debt represented thereby in or towards satisfaction of all or any part of the Secured Liabilities; and
- (b) demand and receive all and any moneys due under or arising out of each Account which has been assigned by this Security Agreement and exercise all rights that the Borrower was then entitled to exercise in relation to that Account or might, but for the terms of this Security Agreement, exercise.

9. ENFORCEMENT OF SECURITY

9.1 Enforcement

On and at any time after the occurrence of an Enforcement Event, the Security created by or pursuant to this Security Agreement is, immediately enforceable and the Security Agent may, without notice to the Borrower or prior authorisation from any court, in its absolute discretion:

- (i) enforce all or any part of that Security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Security Assets (at the times, in the manner and on the terms it thinks fit (including whether for cash or non-cash consideration)); and
- (ii) whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorities and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Security Agreement) on mortgagees and by this Security Agreement on any Receiver or otherwise conferred by law on mortgagees or Receivers.

9.2 Effect of Moratorium

The Security Agent shall not be entitled to exercise its rights under Clause 9.1 (*Enforcement*) or Clause 5.2 (*Conversion of floating charge to fixed Security*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining or taking steps to obtain a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

10. EXTENSION OF POWERS AND RIGHT OF APPROPRIATION

10.1 Extension of powers

The power of sale or other disposal conferred on the Security Agent and on any Receiver by this Security Agreement shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Liabilities shall be deemed due and payable for that purpose) on execution of this Security Agreement.

10.2 Restrictions

The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Security Agreement or to the exercise by the Security Agent of its right to consolidate all or any of the security created by or pursuant to this Security Agreement with any other security in existence at any time or to its power of sale, which powers may be exercised by the Security Agent without notice to the Borrower on or at any time after this Security Agreement has become enforceable in accordance with Clause 9 (*Enforcement of Security*).

10.3 Power of leasing

- (a) The statutory powers of leasing may be exercised by the Security Agent at any time on or after this Security Agreement has become enforceable in accordance with Clause 9 (*Enforcement of Security*) and the Security Agent and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with Sections 99 and 100 of the Law of Property Act 1925.
- (b) For the purposes of Sections 99 and 100 of the Law of Property Act 1925, the expression "Mortgagor" will include any incumbrancer deriving title under the Borrower and neither Sub-section (18) of Section 99 nor Sub-section (12) of Section 100 of the Law of Property Act 1925 will apply.
- (c) The Borrower shall not have, at any time during the Security Period, the power pursuant to Section 99 of the Law of Property Act 1925 to make any lease in respect of any Real Property without the prior written consent of the Security Agent, such consent not to be unreasonably withheld or delayed or as permitted pursuant to the terms of the Facility Agreement.

10.4 Right of appropriation

To the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "**Regulations**") apply to a Security Asset, the Security Agent shall, after the Security created by or pursuant to this Security Agreement has become enforceable in accordance with Clause 9 (*Enforcement of Security*) have the right to appropriate all or any part of that Security Asset in or towards the payment or discharge of the Secured Liabilities and may exercise such right to appropriate upon giving written notice to the Borrower. For this purpose, a commercially reasonable method of valuing a Security Asset shall be:

- (a) in the case of cash, the amount standing to the credit of each Account or to the credit of any other account with any bank, building society, financial institution or otherwise, together with any accrued but unposted interest, at the time of appropriation; and
- (b) in the case of any Investments or Shares, their market value determined by the Security Agent by reference to a public index, independent valuation or by such other process as the Security Agent may select and is in consultation with the Borrower.

In each case, the parties agree that the method of valuation provided for this Security Agreement shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

11. APPOINTMENT OF RECEIVER OR ADMINISTRATOR

11.1 Appointment and removal

After the Security created by or pursuant to this Security Agreement has become enforceable in accordance with Clause 9 (*Enforcement of security*), the Security Agent may by deed or otherwise (acting through an authorised officer of the Security Agent):

- (a) without prior notice to the Borrower:
 - (i) appoint one or more persons to be a Receiver of the whole or any part of the Security Assets; or
 - (ii) appoint two or more Receivers of separate parts of the Security Assets; or
 - (iii) remove (so far as it is lawfully able) any Receiver so appointed; or
 - (iv) appoint another person(s) as an additional or replacement Receiver(s); or
 - (v) appoint one or more persons to be an administrator of the Borrower pursuant to paragraph 14 of Schedule B1 of the Insolvency Act 1986; and
- (b) following notice to the Borrower, appoint one or more persons to be an administrator of the Borrower pursuant to paragraph 12 of Schedule B1 of the Insolvency Act 1986.

11.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 11.1 (*Appointment and removal*) shall be:

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver;
- (b) for all purposes deemed to be the agent of the Borrower which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Agent; and
- (c) entitled to remuneration for his services at a rate to be fixed by the Security Agent from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925).

11.3 Statutory powers of appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Agent under the Law of Property Act 1925 (as extended by this Security Agreement) or otherwise and such powers shall remain exercisable from time to time by the Security Agent in respect of any part of the Security Assets.

12. POWERS OF RECEIVERS

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the Borrower) have and be entitled to exercise, in relation to the Security Assets (and any assets which, when got in, would be Security Assets in respect of which he was appointed), and as varied and extended by the provisions of this Security Agreement (in the name of or on behalf of the Borrower or in his own name and, in each case, at the cost of the Borrower):

- (a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
- (b) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- (c) all the powers and rights of an absolute owner and power to do or omit to do anything which the Borrower itself could do or omit to do; and
- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of the Borrower) which seem to the Receiver to be incidental or conducive to:
 - (i) any of the functions, powers, authorities or discretions conferred on or vested in him;
 - (ii) the exercise of any rights, powers and remedies of the Security Agent provided by or pursuant to this Security Agreement or by law (including realisation of all or any part of the assets in respect of which that Receiver was appointed); or
 - (iii) bringing to his hands any assets of the Borrower forming part of, or which when got in would be, Security Assets.

13. APPLICATION OF MONEYS

All moneys received or recovered and any non-cash recoveries made or received by the Security Agent or any Receiver pursuant to this Security Agreement or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment or other discharge of the costs, charges and expenses incurred and payments made by the Receiver, the payment or other discharge of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the

exercise of any of his powers, and thereafter shall be applied by the Security Agent (notwithstanding any purported appropriation by the Borrower) in accordance with the terms of the Facility Agreement.

14. PROTECTION OF PURCHASERS

14.1 Consideration

The receipt of the Security Agent or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Security Assets or making any acquisition, the Security Agent or any Receiver may do so for such consideration (whether cash or non-cash), in such manner and on such terms as it thinks fit.

14.2 Protection of purchasers

No purchaser or other person dealing with the Security Agent or any Receiver shall be bound to inquire whether the right of the Security Agent or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Agent or such Receiver in such dealings.

15. POWER OF ATTORNEY

15.1 Appointment and powers

The Borrower by way of security irrevocably appoints the Security Agent and any Receiver severally to be its attorney (each an "**Attorney**") and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the Attorney may consider to be required, having, to the extent possible, consulted with the Borrower in advance of any action which such Attorney intends to take for:

- (i) carrying out any obligation imposed on the Borrower by this Security Agreement or any other Finance Documents binding on the Borrower to which the Security Agent is party (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Security Assets and perfecting and/or releasing the security created or intended to be created in respect of the Security Assets) which the Borrower has not done following reasonable notice by the Security Agent; and
- (ii) enabling the Security Agent and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Security Agreement or by law (including, after this Security Agreement has become enforceable in accordance with Clause 9 (*Enforcement of security*), the exercise of any right of a legal or beneficial owner of the Security Assets).

15.2 Ratification

The Borrower shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers, in accordance with Clause 15.1 (*Appointment and powers*).

16. EFFECTIVENESS OF SECURITY

16.1 Continuing security

- (a) The Security created by or pursuant to this Security Agreement shall remain in full force and effect as a continuing security for the Secured Liabilities until the irrevocable discharge and performance of all of the Secured Liabilities.
- (b) No part of the Security from time to time intended to be constituted by this Security Agreement will be considered satisfied or discharged by an intermediate payment, discharge or satisfaction of any part of the Secured Liabilities.

16.2 Cumulative rights

The Security created by or pursuant to this Security Agreement shall be cumulative, in addition to and independent of every other Security which the Security Agent or any Secured Party may at any time hold for the Secured Liabilities or any other obligations or any rights, powers and remedies provided by law and shall operate as an independent security notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other Security. No prior Security held by the Security Agent (whether in its capacity as security trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Security Assets shall merge into the Security constituted by this Security Agreement.

16.3 No prejudice

The Security created by or pursuant to this Security Agreement shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Borrower or any other person, by the Security Agent (whether in its capacity as security trustee or otherwise) or any of the other Secured Parties or by any variation of the terms of the trust upon which the Security Agent holds the security or by any other thing which might otherwise prejudice that Security.

16.4 Remedies and Waivers

No failure on the part of the Security Agent to exercise, nor any delay on its part in exercising, any right, power or remedy under this Security Agreement, shall operate as a waiver of that right, power or remedy or, power constitute an election to affirm this Security Agreement. No election to affirm this Security Agreement on the part of the Security Agent shall be effective unless it is in writing. The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any provided by law. No single or partial exercise of any right, power or remedy shall preclude any further or other exercise of that or any other right or remedy.

16.5 No liability

None of the Security Agent, its nominee(s) nor any Receiver shall be liable

- (a) to account as a mortgagee or mortgagee in possession; or
- (b) for any loss arising by reason of taking any action permitted by this Security Agreement or any neglect or default in connection with the Security Assets or taking possession of or realising all or any part of the Security Assets,

except in the case of gross negligence or wilful default upon its part.

16.6 Partial invalidity

If, at any time, any provision of this Security Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Security Agreement nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Security Agreement is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

16.7 Waiver of defences

The obligations of, and the Security created by, the Borrower under this Security Agreement and the rights and remedies provided by this Security Agreement will not be affected by any act, omission, matter or thing which, but for this Clause 16.7 (*Waiver of defences*), would reduce, release or prejudice any of its obligations under, or the Security created by, this Security Agreement and whether or not known to the Borrower or any Secured Party including:

- (a) any time, waiver or consent granted to, or composition with, any Transaction Obligor or other person;
- (b) the release of any other Transaction Obligor or any other person under the terms of any composition or arrangement with any creditor of any Transaction Obligor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Transaction Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of, any Transaction Obligor or any other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a

Finance Document or any other document or security or of the Secured Liabilities (including, without limitation, any change in the purpose of, any extension of, or any variation or increase in any facility or amount made available under any facility or the addition of any new facility under any Finance Document or other documents);

- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security or of the Secured Liabilities; and
- (g) any insolvency or similar proceedings.

16.8 Chargor intent

Without prejudice to the generality of Clause 16.7 (*Waiver of Defences*), the Borrower expressly confirms that it intends that the Security created under this Security Agreement and the rights and remedies arising thereunder, shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

16.9 Immediate recourse

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

16.10 Deferral of rights

Until the end of the Security Period, the Borrower may exercise any rights which it may have by reason of performance by it of its obligations under this Security Agreement:

- (a) to be indemnified by a Transaction Obligor;
- (b) to claim any contribution from any guarantor of any Transaction Obligor's obligations under this Security Agreement;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of the Secured Parties under this Security Agreement or of any other guarantee or Security taken pursuant to, or in connection with, this Security Agreement by any Secured Party;

- (d) to bring legal or other proceedings for an order requiring any Transaction Obligor to make any payment, or perform any obligation, in respect of which any Transaction Obligor has given a guarantee, undertaking or indemnity under any Finance Document;
- (e) to exercise any right of set-off against any Transaction Obligor; or
- (f) to claim or prove as a creditor of any Transaction Obligor in competition with any Secured Party.

If the Borrower receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution on trust for the Security Agent to the extent necessary to enable all amounts which may be or become payable to any Secured Party by the Borrower under or in connection with this Security Agreement to be repaid in full and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Clause 13 (*Application of Moneys*).

17. PRIOR SECURITY INTERESTS

- (a) In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Security Assets or in case of exercise by the Security Agent or any Receiver of any power of sale under this Security Agreement, the Security Agent may redeem such prior Security or procure the transfer thereof to itself.
- (b) The Security Agent may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on the Borrower.
- (c) All principal moneys, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Borrower to the Security Agent on demand together with accrued interest thereon as well as before judgment at the rate from time to time applicable to unpaid sums specified in the Facility Agreement from the time or respective times of the same having been paid or incurred until payment thereof (as well as after as before judgment).

18. SUBSEQUENT SECURITY INTERESTS

If the Security Agent acting in its capacity as security trustee or otherwise or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent Security, assignment or transfer affecting all the Security Assets or any part of the Security Assets which is prohibited by the terms of any Finance Document, all payments thereafter by or on behalf of the Borrower to the Security Agent (whether in its capacity as security trustee or otherwise) or any of the other Secured Parties will (in the absence of any express contrary appropriation by the Borrower) be credited or treated as having been credited to a new account of the Borrower and not as having been applied in reduction of the Secured Liabilities at the time that notice was received.

19. SUSPENSE ACCOUNTS

All moneys received, recovered or realised by the Security Agent under this Security Agreement (including the proceeds of any conversion of currency) may in the discretion of the Security Agent be credited to any interest bearing suspense or impersonal account(s) maintained with a bank, building society, financial institution or other person as it considers appropriate (including itself) for so long as it may think fit (the interest being credited to the relevant account) pending their application from time to time at the Security Agent's discretion, in or towards the discharge of any of the Secured Liabilities and save as provided herein no party will be entitled to withdraw any amount at any time standing to the credit of any suspense or impersonal account referred to above.

20. RELEASE OF SECURITY

20.1 Release of Security

Upon the expiry of the Security Period, the Security Agent shall, at the request and cost of the Borrower:

- (a) release and cancel the security constituted by this Security Agreement; and
- (b) execute such notices and directions to any persons as the Borrower may reasonably require, to procure the reassignment to the Borrower of the property and assets assigned to the Security Agent pursuant to this Security Agreement, in each case without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.

20.2 Clawback

If the Security Agent considers that any amount paid or credited to any Secured Party is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Borrower under this Security Agreement and the Security constituted by that document will continue and such amount will not be considered to have been irrevocably discharged.

21. SET-OFF

The Borrower authorises the Security Agent (but the Security Agent shall not be obliged to exercise such right), after the occurrence of an Event of Default which is continuing, to set off against the Secured Liabilities any amount or other obligation (contingent or otherwise) owing by the Security Agent to the Borrower and apply any credit balance to which the Borrower is entitled on any account with the Security Agent in accordance with Clause 13 (*Application of Moneys*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

22. DISCRETION AND DELEGATION

22.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Security Agreement by the Security Agent or any Receiver may, subject to the terms and conditions of the Facility Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

22.2 Delegation

Each of the Security Agent and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Security Agreement (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise, any subsequent delegation or any revocation of such power, authority or discretion by the Security Agent or the Receiver itself.

23. GOVERNING LAW

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

24. JURISDICTION

24.1 English courts

The courts of England have exclusive jurisdiction to settle any dispute arising out of, or in connection with this Security Agreement (including a dispute relating to the existence, validity or termination of this Security Agreement or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Security Agreement) (a "**Dispute**").

24.2 Convenient Forum

The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party shall argue to the contrary.

24.3 Exclusive Jurisdiction

Notwithstanding Clause 24.1 (*English courts*), the Security Agent may take proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Security Agent may take concurrent proceedings in any number of jurisdictions.

THIS SECURITY AGREEMENT has been executed as, and is intended to take effect as, a deed by the Borrower and has been signed by the Security Agent on the date written on the first page of this Security Agreement.

**SCHEDULE 1
MORTGAGED PROPERTY**

Property Description	Title Number
Le Méridien Piccadilly Hotel, 21 Piccadilly, London W1J 0BH, England	NGL 474733

SCHEDULE 2
LEASE DOCUMENTS

PART A
NOTICE OF SECURITY: LEASE DOCUMENTS

To: {Headlease holder/Tenant]

Date: []

Dear Sirs,

We give you notice that, by a Security Agreement dated [] (the "**Security Agreement**"), we have created security by way of assignment in favour of Crédit Agricole Corporate and Investment Bank (the "**Security Agent**") as security trustee for the secured parties over all our right, interests and benefits in and to the [*describe Lease (date/term/parties/premises)*] (including all moneys payable thereunder and the proceeds of all claims and judgments for breach of covenant) (the "**Lease**").

We will remain liable to perform all our obligations under the Lease and the Security Agent is under no obligation of any kind whatsoever under the Lease nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Lease.

[*Sub-Leases only:* We irrevocably instruct and authorise you to pay all payments under or arising under the Lease to our account called "[] Account", Account number [] sort code []. It is very important that you make immediate arrangements for all sums payable by you under the Lease to be paid to this account.]

Please note that:

1. all remedies provided for under the Lease or available at law or in equity are exercisable by, or at the direction of, the Security Agent; and
2. all rights, interests and benefits whatsoever accruing to or for the benefit of us arising under the Lease (including all rights to compel performance) belong to, and are exercisable by, or at the direction of, the Security Agent.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Agent with a copy to us.

Yours faithfully

HHR PICCADILLY LIMITED

PART B
ACKNOWLEDGEMENT OF NOTICE OF SECURITY

To: Crédit Agricole Corporate and Investment Bank as Security Agent

Date: []

Dear Sirs

We confirm receipt of a notice dated [] of security created by HHR Piccadilly Limited (the "**Borrower**") in favour of Crédit Agricole Corporate and Investment Bank (the "**Security Agent**") over all of the Borrower's rights, interest and benefit in and to the Policy (as specified in that notice) to which we are a party.

We confirm that:

- (a) we will comply with the terms of such notice; and
- (b) we have not received notice of any prior security over, or interest of any third party in, the Lease.

We further confirm that:

- 1. no amendment, waiver or release of any such rights, interests and benefits will be effective without the prior written consent of the Security Agent;
- 2. no termination of such rights, interests or benefits will be effective unless we have given the Security Agent 21 days' written notice of the proposed termination, specifying the action necessary to avoid such termination; and
- 3. the Borrower will remain liable to perform all its obligations under the Lease and the Security Agent is under no obligation of any kind whatsoever under the Lease nor under any liability whatsoever in the event of any failure by the Borrower to perform its obligations under the Lease.

We confirm that we have made all necessary arrangements for all future payments payable under the Lease to be made into the account specified in the notice.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Yours faithfully

[Headlease holder/Tenant]

cc. HHR Piccadilly Limited

**SCHEDULE 3
INSURANCES**

**PART A
NOTICE OF SECURITY TO INSURERS**

To: [Insurer]

Date: []

Dear Sirs,

We give you notice that, by a Security Agreement dated [], we have created security by way of equitable assignment in favour of Crédit Agricole Corporate and Investment Bank (the "**Security Agent**") over all our right, interests and benefits in, and to the [*describe Insurances including policy number*] effected by us or on our behalf in relation to the risk to [*describe Property*] (including all moneys payable thereunder, proceeds of all claims, awards and judgments) and all other insurances entered into supplemental to or in replacement of such policy of insurance (the "**Policy**").

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

With effect from your receipt of this notice we irrevocably instruct and authorise you to:

1. make all payments and claims [in excess of £[]] under or arising from the Policy to the account called "[Rent] Account", Account number [] sort code [];
2. name the Security Agent as co-insured and loss payee on the Policy; and
3. disclose to the Security Agent, without further approval from us, such information regarding the Policy as the Security Agent may from time to time request and to send it copies of all notices issued by you under the Policy.

Please note that:

1. all remedies provided for under the Policy or available at law or in equity are exercisable by the Security Agent; and
2. all rights, interests and benefits whatsoever accruing to or for the benefit of us arising under the Policy (including all rights to compel performance) belong to, and are exercisable by or at the direction of, the Security Agent.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales. Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Agent with a copy to us.

Yours faithfully

HHR PICCADILLY LIMITED

PART B
ACKNOWLEDGEMENT OF NOTICE OF SECURITY

To: Crédit Agricole Corporate and Investment Bank as Security Agent

Date: []

Dear Sirs

We confirm receipt of a notice dated [] of security created by HHR Piccadilly Limited (the "**Borrower**") in favour of Crédit Agricole Corporate and Investment Bank (the "**Security Agent**") over all of the Borrower's rights, interest and benefit in and to the Policy (as specified in that notice) to which we are a party.

We confirm that:

- (c) we will comply with the terms of such notice; and
- (d) we have not received notice of any prior security over, or interest of any third party in, the Policy.

We further confirm that:

1. no amendment, waiver or release of any such rights, interests and benefits will be effective without the prior written consent of the Security Agent;
2. no termination of such rights, interests or benefits will be effective unless we have given the Security Agent 21 days' written notice of the proposed termination, specifying the action necessary to avoid such termination;
3. the Borrower will remain liable to perform all its obligations under the Policy and the Security Agent is under no obligation of any kind whatsoever under the Policy nor under any liability whatsoever in the event of any failure by the Borrower to perform its obligations under the Policy; and
4. no breach or default on the part of the Borrower of any of the terms of such Policy will be deemed to have occurred unless we have given notice of that breach to the Security Agent specifying how to make good that breach.

We confirm that we have made all necessary arrangements for all future payments payable under the Policy to be made into the account specified in the notice.

We confirm that we have made all necessary arrangements for the Security Agent to be named as co-insured and first loss payee.

We have not claimed or exercised, and waive all future rights to claim or exercise, any rights of set-off, lien, counterclaim or other similar right now or in the future relating to the Policy.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Yours faithfully

[Insurer]

cc. HHR Piccadilly Limited

**SCHEDULE 4
ACCOUNTS**

**PART A
NOTICE OF SECURITY TO ACCOUNT BANK**

To: Crédit Agricole Corporate and Investment Bank

Date: []

Dear Sirs

We give you notice that, by a Security Agreement dated [], we have created security [by way of equitable assignment] in favour of Crédit Agricole Corporate and Investment Bank (the "**Security Agent**") over any accounts and all moneys (including interest) from time to time standing to the credit of the accounts listed below and the debt or debts represented thereby.

The account[s] maintained with you [is/are]:

Account Name[s]: []
Sort Code[s]: []
Account No[s]: []

[Insert the following if notifying an assignment of, or charge over, Accounts other than an operating Account:

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

- (a) [any existing payment instructions affecting the above Account[s] are to be terminated and all payments and communications in respect of the Accounts should be made to the Security Agent or to its order (with a copy to us)] *[insert agreed operating procedures which should be stated to be revocable at any time on notice from the Security Agent]; and*
- (b) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Accounts are exercisable by, or at the direction of, the Security Agent.]

[Insert the following if notifying a charge over operating Accounts such as the General Account:

We further instruct and authorise you to act only in accordance with the Security Agent's instructions following receipt by you of a notice of the occurrence of [an Event of Default] issued by the Security Agent. Until such notice is received by you, we are authorised by the Security Agent to receive, withdraw or otherwise transfer any credit balance from time to time on *[specify account]* [subject to *[insert any restrictions set out in the Facility Agreement]*].]

We irrevocably instruct and authorise you to disclose to the Security Agent without any reference to or further authority from us and without any inquiry by you as to the justification

for such disclosure, such information relating to [any] account[s] maintained with you from time to time as the Security Agent may request you to disclose to it.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Agent with a copy to us.

Yours faithfully

HHR PICCADILLY LIMITED

PART B
ACKNOWLEDGEMENT OF SECURITY BY ACCOUNT BANK

To: Crédit Agricole Corporate and Investment Bank as Security Agent

Date: []

Dear Sirs

We confirm receipt of a notice dated [] of security created by HHR Piccadilly Limited (the "**Borrower**") in favour of Crédit Agricole Corporate and Investment Bank (the "**Security Agent**") over all moneys (including interest) from time to time standing to the credit of the Borrower's account[s] (as specified in that notice) (the "**Account[s]**") which [is/are] maintained with us and the debt or debts represented thereby.

We confirm that:

- (a) we will comply with the terms of that notice; and
- (b) we have not received notice of any prior security over or interest of any third party in [any of] the Account[s]. We confirm that we will not, without the Security Agent's prior written consent, amend or vary any rights attaching to the Account[s].

We will act only in accordance with the instructions given by persons authorised by the Security Agent and we shall send all statements and other notices given by us relating to the Account to the Security Agent.

We unconditionally and irrevocably waive all rights of set-off, lien, combination or consolidation of accounts, security and similar rights (however described) which we may have now or in the future in respect of [each of] the Account[s] or the balance thereon to the extent that such rights relate to amounts owed to us by the Borrower.

This letter and all non-contractual obligations arising out of or in connection with it are to be governed by and will be construed in accordance with the laws of England and Wales.

Yours faithfully

[Bank or other financial institution holding the Account]

cc. HHR Piccadilly Limited

SCHEDULE 5

HEDGING AGREEMENTS

NOTICE OF ASSIGNMENT

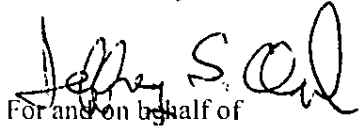
To: [Hedge Counterparty]

Date: []

Dear Sirs,

1. We give you notice that by a Security Agreement dated [] we have created security by way of equitable assignment in favour of to Crédit Agricole Corporate and Investment Bank (the "**Security Agent**") over all our right, title and interest in and to [details of relevant Hedging Agreement] (including all monies payable thereunder[, but subject to the application of any rights of set-off or netting provided for thereunder]) (the "**Hedging Agreement**").
2. We shall continue to be solely responsible for the performance of our obligations under or in connection with the Hedging Agreement and the Security Agent is under no obligation of any kind whatsoever under the Hedging Agreement nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Hedging Agreement.
3. With effect from the date of your receipt of this notice:
 - (a) all payments by you to us under or arising from the Hedging Agreement shall be paid to [insert payment instructions/account details], or otherwise at the direction of the Security Agent, as it may at any time after the occurrence of an Event of Default specify in writing from time to time;
 - (b) all remedies provided for in the Hedging Agreement or available at law or in equity shall be exercisable by, or at the direction of, the Security Agent; and
 - (c) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising under the Hedging Agreements shall be exercisable by, or at the direction of, the Security Agent,in each case, subject to the application of any rights of set-off or netting provided for in the Hedging Agreement.
4. Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent at [] marked for the attention of [].
5. This notice and any non-contractual obligations arising out of or in connection with it are governed by the laws of England and Wales.

Yours faithfully,


For and on behalf of

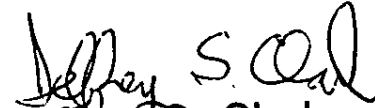
HHR PICCADILLY LIMITED

EXECUTION PAGE

Borrower

EXECUTED AS A DEED by)
HHR PICCADILLY LIMITED)
)

Director
Name:


Jeffrey S. Clark

Director/Secretary/Witness
Name:


Gregory J. Larson

Security Agent

Signed by)
CRÉDIT AGRICOLE CORPORATE)
AND INVESTMENT BANK)
for and on its behalf)
by its duly authorised)
Officer)

EXECUTION PAGE

Borrower

EXECUTED AS A DEED by)
HHR PICCADILLY LIMITED)
)

Director

Name:

Director/Secretary/Witness

Name:

Security Agent

Signed by)
CRÉDIT AGRICOLE CORPORATE)
AND INVESTMENT BANK)
for and on its behalf)
by its duly authorised)
Officer)



A. Lafferty
Assistant Director



C. Jones
Assistant Director