



Registration of a Charge

Company name: **CARDRONA HOTEL, GOLF & COUNTRY CLUB LIMITED**
Company number: **SC187420**

Received for Electronic Filing: **07/09/2020**



Details of Charge

Date of creation: **26/08/2020**
Charge code: **SC18 7420 0015**
Persons entitled: **BANK OF SCOTLAND PLC AS AGENT AND SECURITY TRUSTEE FOR EACH OF THE SECURED PARTIES (THE SECURITY TRUSTEE) AS DEFINED IN THE INSTRUMENT APPENDED TO THIS FORM MR01.**
Brief description: **ALL AND WHOLE (IN THE FIRST PLACE) THE TWO AREAS OF LAND AT CARDRONA IN THE COUNTY OF PEEBLES, AS FURTHER DESCRIBED IN THE SCHEDULE OF THE INSTRUMENT APPENDED TO THIS FORM MR01.**
Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 187420

Charge code: SC18 7420 0015

The Registrar of Companies for Scotland hereby certifies that a charge dated 26th August 2020 and created by CARDRONA HOTEL, GOLF & COUNTRY CLUB LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th September 2020 .

Given at Companies House, Edinburgh on 8th September 2020

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



Companies House



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

KMCP/SUMK/104563.05316/73343939.5

Standard Security

relating to Cardrona, Peebles

Cardrona Hotel, Golf & Country Club Limited
(Chargor)

Bank of Scotland plc
(Security Trustee)

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Standard Security

- (1) **Cardrona Hotel, Golf & Country Club Limited** (Registered Number SC187420) whose registered office is at Whiteside House, Whiteside Industrial Estate, Bathgate, West Lothian, EH48 2RX (the **Chargor**);
- in favour of
- (2) **Bank of Scotland plc**, a company incorporated in Scotland (Registered Number SC327000) whose registered office is at The Mound, Edinburgh, EH1 1YZ, as agent and security trustee for each of the Secured Parties (the **Security Trustee**).

Whereas

- A The Chargor enters into this Standard Security in connection with the Facilities Agreement (as defined below).

1 Definitions and Interpretation

1.1 Incorporation of definitions

Terms defined in the Facilities Agreement, unless otherwise defined in this Standard Security or unless a contrary intention appears, bear the same meaning when used in this Standard Security.

1.2 Additional Definitions

In this Standard Security unless the context otherwise requires the following expressions shall have the meanings respectively assigned to them:

Existing Security means any Transaction Security Documents entered into by the Chargor in favour of the Security Trustee prior to the date of this Standard Security.

Facilities Agreement means the facilities agreement dated 19 October 2005 as amended and restated on 4 February 2008, 19 June 2009, 29 October 2010 and amended on 20 December 2012, 1 October 2013, 20 December 2013, 30 January 2014 and 26 February 2014 and as further amended and restated on 19 March 2014 and as further amended on 22 December 2014, 15 May 2015, 30 November 2015, 31 March 2016, 5 May 2016, 28 September 2018, 21 December 2018, 31 January 2019, 28 February 2019, 28 March 2019, 30 April 2019, 31 May 2019, 24 June 2019, 30 August 2019, 30 September 2019, 25 October 2019, 31 January 2020, 28 February 2020, 31 March 2020, 29 April 2020, 28 May 2020, 19 June 2020 and 30 July 2020 and as further amended and restated on or around the date of this Standard Security between, among others, the Obligors and Bank of Scotland plc as Arranger, Agent, Security Trustee and an Original Lender.

Intercreditor Agreement means the intercreditor agreement dated 19 October 2005 as amended and restated on 19 June 2009, 29 October 2010 and 19 March 2014 and as amended and restated on or around the date of this Standard Security between, among others, the Parent, the Obligors and Bank of Scotland plc as Arranger, Agent, Security Trustee and an Original Lender.

Planning Acts means the Town and Country Planning (Scotland) Act 1997 and, where applicable, the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997, the

Planning (Hazardous Substances) (Scotland) Act 1997, the Planning (Consequential Provisions) (Scotland) Act 1997, the Planning etc. (Scotland) Act 2006 and any associated or similar legislation regulating the development or use of land,

Property means all and whole the property or properties described in the Schedule or such of them as shall for the time being remain subject to this Standard Security including all buildings, erections and fixtures and fittings and fixed plant for the time being thereon and all improvements and additions thereto and all servitudes and other heritable rights appurtenant thereto subject to and with the benefit of all leases, underleases, tenancies, agreements for lease, rights, burdens and conditions affecting the same but otherwise free from Security.

Secured Obligations means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly or severally, or as principal debtor, guarantor, surety or otherwise or as the equivalent obligor under the laws of any other jurisdiction) of the Chargor or any other Obligor to the Security Trustee and the other Secured Parties (or any of them) under the Finance Documents together with:

- (a) any refinancing, novation, refunding, deferral or extension of or increase in any of those obligations or liabilities;
- (b) any further advances and additional facilities which may be made by any Secured Party to the Chargor or any other Obligor under any agreement expressed to be supplemental to the Finance Documents and all interest, fees, and costs in connection therewith;
- (c) any claim for damages or restitution in the event of rescission of any of those obligations or liabilities or otherwise in connection with any of the Finance Documents;
- (d) any claim against the Chargor or any other Obligors flowing from the recovery by the Chargor or any other Obligors of a payment or discharge in respect of any of those liabilities on grounds of preference or otherwise;
- (e) any amounts which would be included in any of the foregoing but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings; and
- (f) all costs, charges and expenses incurred by the Security Trustee or any other Secured Party in connection with the protection, preservation or enforcement of its rights against the Chargor or any other Obligor;

Security means any mortgage, standard security, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

Standard Security means this standard security.

1.3 **Security trust provisions**

The Security Trustee holds the benefit of this Standard Security on trust for the Secured Parties in accordance with the terms of the Intercreditor Agreement.

1.4 Construction

1.4.1 Unless a contrary indication appears, any reference in this Standard Security to:

- (a) any **Chargor, Security Trustee, Secured Party, Obligor** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
- (b) an Event of Default is **continuing** if it has not been remedied or waived;
- (c) the **Facilities Agreement, a Finance Document** or any other agreement or instrument is a reference to that Facilities Agreement or Finance Document or other agreement or instrument as from time to time amended, novated, supplemented, replaced, extended or restated in whole or in part;
- (d) a **person** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
- (e) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (f) a provision of law is a reference to that provision as from time to time amended or re-enacted;
- (g) **disposal** includes a sale, transfer, grant, lease or other disposal, whether voluntary or involuntary (and **dispose** shall be construed accordingly);
- (h) **document** includes any deed, instrument (including negotiable instrument) or other document of any kind;
- (i) any matter **including** specific instances or examples of such matter shall be construed without limitation to the generality of that matter (and references to **include** shall be construed accordingly);
- (j) the **winding-up, dissolution or administration** of a person shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such person is incorporated or established, or any jurisdiction in which such person carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors; and
- (k) **Clauses and Schedules** are to the clauses and schedules to this Standard Security.

1.4.2 Clause headings are for ease of reference only.

1.4.3 Words in the singular shall import the plural and *vice versa*.

1.4.4 Words defined in the Companies Act 2006 have the same meanings in this Standard Security.

1.5 Third party rights

This Standard Security does not create any rights in favour of third parties under the Contract (Third Party Rights) (Scotland) Act 2017 to enforce or otherwise invoke any provision of this Standard Security or otherwise.

2 Undertaking to pay

2.1 Undertaking to pay

The Chargor, as principal debtor and not just as surety, covenants with the Security Trustee to pay, discharge and satisfy the Secured Obligations when the same become due in terms of the Finance Documents whether by acceleration or otherwise.

2.2 Interest

The Chargor shall pay interest on any amount demanded from it in accordance with this Standard Security from the date of such demand until such amount is irrevocably discharged and paid in full (such interest to accrue on a daily basis after as well as before judgment or the liquidation or administration of the Chargor and to be payable on demand) at the rate from time to time applicable to unpaid sums specified in the Facilities Agreement, save to the extent that such interest is charged on such amount pursuant to the relevant Finance Document and itself constitutes a Secured Obligation.

3 Charge

3.1 Subject to the Existing Security, in security of the payment and discharge of its obligations hereunder and in respect of the Secured Obligations, the Chargor to the intent that the security created shall rank as a continuing security, hereby grants a Standard Security in favour of the Security Trustee over the Property.

3.2 Subject to the Existing Security as security for the payment and discharge of its obligations hereunder and in respect of the Secured Obligations, the Chargor hereby assigns absolutely and agrees to assign absolutely to the Security Trustee (subject to re-assignment on discharge of the Secured Obligations) all rights and claims to which the Chargor is now or may hereafter become entitled in relation to the Property.

3.3 The Chargor shall at any time if and when required by the Security Trustee execute such further standard securities, legal or other mortgages, fixed or floating charges or assignments in favour of the Security Trustee as the Security Trustee may from time to time require over all or any of the Property or any other property or rights belonging to it, both present and future including but not limited to all heritable or freehold or leasehold properties and all rights and remedies relating thereto both present and future (including any lien) to secure the Secured Obligations, such further standard securities or mortgages or assignments or assignments to be prepared by or on behalf of the Security Trustee at the cost of the Chargor (such cost, however, comprising part of the Secured Obligations) and in a form and substance satisfactory to the Security Trustee in all respects.

3.4 To the extent not previously delivered to the Security Trustee, the Chargor undertakes to deposit with the Security Trustee, upon the date of execution hereof by the Chargor or such other date as advised by the Security Trustee, the deeds and documents of title relating to the Property.

4 Standard Conditions

- 4.1 The Standard Conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 as amended by the Redemption of Standard Securities (Scotland) Act 1971 (together hereinafter referred to as the **Act**), and any lawful variation thereof operative for the time being (hereinafter referred to as the **Standard Conditions**) shall apply and the Standard Conditions shall be varied firstly in accordance with the provisions of this Standard Security and secondly to the effect that the following provisions shall apply:
- 4.2 Standard Condition 7 shall be varied to the effect that:
- (a) the Security Trustee shall not be required to give any notice of its exercise of the right of entry referred to in Standard Condition 7(2);
 - (b) the interest rate for the purposes of Standard Condition 7(3) shall be the Default Rate.
- 4.3 For the purposes of Standard Condition 9(1) the Chargor shall be held to be in default in the event of any of the Secured Obligations remaining outstanding after it has fallen due and payable or in the event of any failure (whether by omission or commission) of the Chargor or any Obligor to observe and perform any of the terms and conditions in this Standard Security or in any other security, mortgage, charge or undertaking granted by the Chargor or any Obligor or any other person or corporation for whose obligations to the Security Trustee and/or any Secured Party the Chargor or any Obligor has undertaken responsibility to the Security Trustee and/or any Secured Party, and in the event of the Chargor being in default as aforesaid, then without prejudice to any other rights and remedies available to the Security Trustee or any Secured Party by virtue of the Standard Conditions or any other security, charge or undertaking or in any other manner the Security Trustee will be entitled to exercise any of the remedies available to a creditor on default of a borrower by virtue of the provisions of the Act.

5 Declarations

- 5.1 If there shall be any breach of the obligations or undertakings contained or referred to in this Standard Security the Security Trustee and/or any Secured Party shall (without prejudice to all other rights and powers available to it) be entitled, without notice to the Chargor, to withhold further facilities from the Chargor or any Obligor.
- 5.2 If the Security Trustee and/or any Secured Party receives notice of any subsequent charge or other interest affecting all or any part of the Property the Security Trustee and/or the Secured Party may open a new account or accounts with the Chargor or any Obligor and, if or in so far as the Security Trustee and/or the Secured Party does not open a new account or accounts, it shall nevertheless be treated as if it had done so at the time when it received such notice and as and from that time all payments made by the Chargor or any Obligor to the Security Trustee and/or the Secured Party shall, notwithstanding any instructions by the Chargor or any Obligor to the contrary, be credited or treated as having been credited to the new account or accounts and shall not operate to reduce the amount due from the Chargor or any Obligor to the Security Trustee and/or the Secured Party at the time when notice was received.

6 Undertakings relating to the Property

6.1 Conflict with Facilities Agreements

In the case of any conflict between the provisions of this Clause 6 and the provisions of the Facilities Agreement, the provisions of the Facilities Agreement shall prevail.

6.2 The Chargor shall:

- 6.2.1 pay or cause to be paid all rents, rates, levies, assessments, impositions and outgoings whether governmental, municipal or otherwise imposed upon or payable in respect of the Property as and when the same become due and payable;
- 6.2.2 keep or cause to be kept the Property in good and substantial repair to the extent that failure to do so would have a Material Adverse Effect and permit the Security Trustee and any person authorised by the Security Trustee at all reasonable times to inspect the Property and view the state of the same (provided that such access shall not be disruptive to the Chargor's ordinary course of business);
- 6.2.3 insure and keep insured or procure to be so insured all buildings, installations and appurtenances for the time being comprised in or subject to this Standard Security and the fixtures and fittings and all other objects of whatever kind of an insurable nature in and upon the same against loss or damage by fire (including fire caused by riots and civil disturbances) and other usual risks including explosion, aircraft (other than hostile aircraft) and articles dropped therefrom, acts of terrorism and (where appropriate) flood, subsidence and such other risks as the Security Trustee may from time to time require (subject to such exclusions, excesses, limitations, terms and conditions as may be contained in such policy) to the full reinstatement value thereof (plus sums in respect of loss of rent, removal of debris and professional fees which may be incurred in connection with repairing, rebuilding or reinstating the same) and upon such terms as the Security Trustee may from time to time reasonably require with such insurers as shall be approved of in writing from time to time by the Security Trustee (such approval not to be unreasonably withheld) in the name of the Chargor with the interest of the Security Trustee noted on the policies in respect of such insurance with the Security Trustee named as first mortgagee and sole loss payee (with or without the addition of other names) or otherwise as the Security Trustee shall direct and duly and punctually pay or cause to be paid all premiums and moneys necessary for effecting and keeping up the said insurance when the same shall become due respectively and on demand produce or cause to be produced to the Security Trustee the policy of every such insurance and receipt for every such payment;
- 6.2.4 not without the prior written consent of the Security Trustee (such consent not to be unreasonably withheld or delayed) pull down, remove or knowingly permit or suffer to be pulled down or removed any building, installation or structure for the time being comprised in or subject to this Standard Security or any walls, hedges or fences whereby the external boundaries are defined or (except in connection with the renewal or replacement thereof) any fixtures or erect or make or suffer to be erected or made on the Property any building, installation, alteration or improvement or otherwise waste, destroy or injure in any manner or by any means lessen or suffer to be lessened the value of the Property;
- 6.2.5 not without the prior written consent of the Security Trustee create or knowingly permit to exist any Security (other than under the Existing Security or a lien arising in the ordinary course of business) or otherwise dispose of deal with or part with or share possession of the Property or

any interest therein nor make or suffer to be made any material change or addition whatsoever in or to the use of the Property or agree to do any of the foregoing;

- 6.2.6 not commit any nuisance on the Property nor without the prior written consent of the Security Trustee do or permit to be done on the Property anything which would be prejudicial to the validity of any policy of insurance;
- 6.2.7 not do or omit or knowingly suffer to be done or omitted any act, matter or thing, in, on or in respect of the Property in contravention of the Planning Acts or any licences, consents, permissions or conditions granted or imposed thereunder to the extent that failure to do so would have a Material Adverse Effect;
- 6.2.8 as soon as reasonably practicable after receipt of any notice, order, direction, permission or proposal given, made or issued under or by virtue of the Planning Acts or otherwise affecting the Property or any part thereof give full particulars thereof which may reasonably result in a liability for the Chargor in excess of £250,000 to the Security Trustee and without delay comply with the same, or at any time when an Event of Default is continuing, join with the Security Trustee in objecting to or contesting the same;
- 6.2.9 perform and observe in all material respects all title burdens, stipulations and provisions affecting the Property (including but without prejudice to the generality of the foregoing all requirements and regulations of the competent authorities) and if the Property is leasehold property also produce on demand to the Security Trustee the receipt for the last payment of rent reserved by the lease under which such property is held;
- 6.2.10 as soon as reasonably practicable after receipt furnish to the Security Trustee any report, survey or information in respect of the structural condition of the Property, deleterious materials therein or contaminated substances thereon or affecting the same or which may affect adjacent or adjoining property as may come or may have come to the notice or attention of the Chargor at any time and carry out such further inspection works or take such other remedial action as the Security Trustee may reasonably direct;
- 6.2.11 from time to time or at such stated periods as may be required by the Security Trustee furnish to the Security Trustee all such particulars and information as the Security Trustee may reasonably require relating to any leases, agreements for lease or tenancies then subsisting or other arrangements effected in relation to the Property and deliver to the Security Trustee certified true copies of any such leases, agreements for lease or tenancies as soon as the same have been granted together with Extract Registered copies as soon as practicable;
- 6.2.12 at all times advise the Security Trustee if any defects, damages or wants of repair manifest themselves in respect of any of the structures for the time being upon the Property and which are or may be considered to be the responsibility of any warrantors pursuant to the terms of any professional warranty agreement relating to the Property and whenever reasonably required by (but at no cost to the Security Trustee) promptly take all proper steps that the Security Trustee may reasonably prescribe for the purpose of enforcing such warranties and recovering from the warrantors thereunder all such damages or other remedy or recompense to which the Chargor or any Obligor may be entitled pursuant to the terms of such warranties and at all times keep the Security Trustee fully advised as to progress in that regard and apply any moneys recovered from any of the warrantors in or towards (with the Chargor making up any shortfall) the making good of the defects, damages and wants of repair to which the same relate;

- 6.2.13 not, without the prior written consent of the Security Trustee (such consent not to be unreasonably withheld or delayed) or unless the Security Trustee shall otherwise require, exercise any option or right of election available at law that the supplies made in respect of any lease or tenancy shall be chargeable or taxable for Value Added Tax purposes at the standard or any other applicable rate, including (without limitation) pursuant to paragraph 2 of Schedule 10 to the Value Added Tax Act 1994;
- 6.2.14 not, without the prior written consent of the Security Trustee, enter into any negotiations with any competent authority with regard to the compulsory acquisition of the Property or consent to the compulsory acquisition of the Property and, where any such compulsory acquisition has or could have a material adverse effect on the value of the Property, upon request by the Security Trustee, permit the Security Trustee and/or its representatives (for such time as the Security Trustee requires) to conduct all or part of such negotiations or give such consent on its behalf;
- 6.2.15 comply with, and to the extent that it is within the power of the Chargor to do so, procure compliance with all Environmental Law affecting the Property where failure to do so is reasonably likely to have a Material Adverse Effect and notify the Security Trustee forthwith in writing of any breach or alleged breach or of the receipt of any notice or other communication in respect of any breach or alleged breach of any Environmental Law affecting the Property or any investigation or order, commenced or made in relation to any such breach or alleged breach where the claim, if determined against the Chargor, is reasonably likely to have a Material Adverse Effect or could constitute a liability of £250,000 or more and forthwith take all steps necessary to remedy any infringement of any Environmental Law affecting the Property;
- 6.2.16 other than in the case of any gross negligence or wilful default of the Security Trustee, indemnify and reimburse the Security Trustee in respect of any losses, damages, liabilities, claims, costs and expenses (including, without limitation, fines, penalties, judgments and awards, financial responsibility for clean-up activities and obligations, statutory or other official contributions, legal fees, technical consultancy, engineers' and experts' fees and costs and expenses) properly incurred of obtaining or retaining consents or licences or otherwise complying with Environmental Law affecting the Property;
- 6.2.17 other than in the case of any gross negligence or wilful default of the Security Trustee, indemnify and keep indemnified (on a full indemnity basis) the Security Trustee or, as the case may be, any other Secured Party, in respect of any Secured Obligations outstanding and pay the Security Trustee upon demand with interest thereon at the rate specified in any relevant Finance Document from the respective dates for payment all moneys paid by the Security Trustee or, as the case may be, any other Secured Party, in respect of all claims, costs, expenses and liability whatsoever from time to time incurred in relation to this Standard Security including (but without prejudice to the generality of the foregoing) all sums paid and expenses properly incurred by the Security Trustee or, as the case may be, such Secured Party:
- (a) in remedying or making good any breach or non-observance of any undertaking or obligation on the part of the Chargor herein contained; or
 - (b) under any undertaking, agreement or obligation contained in or imposed by any lease, agreement for lease, tenancy or licence affecting the Property which may have been or may hereafter be granted or entered into by the Chargor or by the predecessors in title of the Chargor or by any one or more of them; or

- (c) under the Planning Acts whether in respect of any act, matter or thing done, omitted or suffered to be done or omitted by or on behalf of the Chargor or any person claiming under the Chargor or through whom the Chargor derives title to the Property or in respect of any objection to or the contesting of any notice, order or proposal therefor or otherwise howsoever; or
- (d) under any requirements or regulation of any competent authority; or
- (e) arising out of any defect in or want of repair to the Property; or
- (f) under any title burden, agreement or obligation, restrictive or otherwise, affecting the title to the Property and enforceable against the Property or the owner thereof for the time being and whether or not recited or referred to herein; or
- (g) in enforcing or exercising or protecting or attempting to enforce or exercise or protect any of the rights, powers, provisions and undertakings contained in this Standard Security or to be implied herefrom.

6.2.18 If the Chargor fails at any time to perform or observe any undertaking or condition on its part herein contained the Security Trustee shall be entitled but not obliged, in order to make good such failure in whole or in part:

- (a) to enter upon the Property and effect such repairs and other works thereon as the Security Trustee considers necessary;
- (b) to take such steps, give such notices, execute such works and do such things as the Security Trustee considers necessary to comply with any requirements of or any notice, order, direction, permission or proposal given, served or made under the Planning Acts or otherwise affecting or likely to affect the Property;
- (c) to insure and keep insured the Property in such amount and in such manner as required under the Finance Documents; and
- (d) to admit, settle, liquidate, compound or contest in such manner as the Security Trustee thinks fit any claim or liability in relation to the Property whether or not the Security Trustee is expressly indemnified herein against the same and to make such payments and expend or debit on account such moneys as the Security Trustee considers necessary to that end,

provided that the Security Trustee shall not be deemed to be a heritable creditor in possession by reason of the exercise of any right conferred by this Clause 6 and provided further that any sum expended by the Security Trustee in accordance with this Clause 6 shall be repayable by the Chargor and be added to the total of the Secured Obligations.

6.2.19 For so long as it remains bound by the provisions of this Standard Security the Chargor shall not without the prior written consent of the Security Trustee (save as permitted in terms of the Facilities Agreement or authorised by the Agricultural Holdings (Scotland) Act 1991 in the case of agricultural land):

- (a) grant or agree to grant any lease, agreement for lease, licence, tenancy or other right of occupation (**Occupational Right**) in the Property; or
- (b) make or agree to make any variation of or to surrender or renounce any Occupational Right in the Property; or

- (c) consent or agree to consent to the assignation of any Occupational Right in the Property; or
- (d) consent or agree to consent to the grant of any sub-lease or agreement for sub-lease of the Property; or
- (e) accept or agree to accept a surrender or renunciation of any Occupational Right in the Property; or
- (f) enter into any agreement, compromise or arrangement with any past or present tenant or occupier of the Property, or any cautioner or guarantor of such tenant or occupier, to accept any payment (whether by way of liquidated damages or otherwise) in respect of any surrender, any renunciation, breach of undertaking, want of repair or otherwise in respect of the Property.

7 Other Undertakings

Save as permitted by the Facilities Agreement or under the Existing Security the Chargor shall not without the prior written consent of the Security Trustee assign, charge or in any other way divert the payment of any rents due in respect of the Property away from the Chargor.

8 The Security Trustee's Rights

- 8.1 The Security Trustee shall not be liable to the Chargor in respect of any loss or damage which arises out of the exercise, the attempted or purported exercise or the failure to exercise any of its powers or for any other loss of any nature whatsoever.
- 8.2 The Security Trustee may from time to time delegate by power of attorney or otherwise to any person or corporation any of the powers and discretions of the Security Trustee under this Standard Security whether arising by statute, the provisions hereof or otherwise upon such terms and for such periods of time as it may think fit and may determine any such delegation.
- 8.3 The Security Trustee will not be liable to the Chargor for any loss or damage arising from any act, default, omission or misconduct of any such delegate and references in this Standard Security to the Security Trustee will where the context so admits include references to any delegates so appointed.
- 8.4 Save in so far as may be expressly provided for in the conditions of any dealing or as may otherwise be acknowledged in writing by the Security Trustee such dealings shall not prejudice or affect the undertakings, liabilities and obligations of the Chargor hereunder or the rights and remedies of the Security Trustee and shall not release or discharge any Security given by the Chargor hereunder.
- 8.5 The conditions of any dealing agreed in writing by the parties thereto shall be deemed to have been set forth herein and shall be enforceable by the Security Trustee accordingly.
- 8.6 For the purpose of this provision a dealing shall include:
 - (a) the giving of time or indulgence by the Security Trustee or, as the case may be, a Secured Party;
 - (b) the neglect or forbearance of the Security Trustee or, as the case may be, a Secured Party, in requiring or enforcing payment of any moneys hereby secured;

- (c) the release of any property subject to this Standard Security or of any undertaking, condition, liability or obligation hereunder; and
 - (d) any act, omission, matter or thing whatsoever whereby the Chargor would or might have been released from any undertaking, condition, liability or obligation hereunder or any Security given by it.
- 8.7 The Security Trustee's reasonable costs (including legal costs and surveyors fees) of any dealing including the costs of any release, discharge or reconveyance will be the responsibility of the Chargor and shall be added to the total of the Secured Obligations.
- 8.8 The Security Trustee may in relation to this Standard Security act on the opinion or advice of or any information obtained from any lawyer, valuer, surveyor, auditor, accountant or other expert acting in his professional capacity whether obtained by the Chargor or the Security Trustee and shall not be responsible for any loss occasioned by so acting.
- 8.9 The Chargor shall indemnify the Security Trustee from and against all losses, costs, expenses, claims, demands and liabilities whether in contract, delict, tort or otherwise (together with any applicable value added tax) incurred by the Security Trustee or by any employee, agent or delegate of the Security Trustee in connection with anything done or omitted under this Standard Security or any other document relating to it, or in the exercise or attempted or purported exercise of the powers contained in this Standard Security or occasioned by any breach by the Chargor of any of its undertakings or other obligations to the Security Trustee, or in consequence of any payment in respect of the Secured Obligations (whether made by the Chargor or a third person) being declared void or impeached for any reason. The Security Trustee may retain and pay all sums in respect of which it is indemnified out of any monies received by it under the powers conferred by this Standard Security.

9 Certificate of Sums Due

Any certificate or determination by the Security Trustee as to the amount of the Secured Obligations shall in the absence of manifest error, be conclusive and binding on the Chargor for all purposes of this Standard Security.

10 Continuing Security

- 10.1 The security from time to time created by this Standard Security is a continuing security and will remain in full force and effect as a continuing security for the Secured Obligations until released or discharged by the Security Trustee.
- 10.2 No part of the security from time to time created by this Standard Security will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

11 Notices

Any communication to be made under or in connection with this Standard Security shall be made in accordance with Clause 34 of the Facilities Agreement.

12 Preservation of Rights

12.1 Neither the obligations of the Chargor herein contained nor the rights, powers and remedies conferred in respect of the Chargor upon the Security Trustee by this Standard Security or by law shall be discharged, impaired or otherwise affected by:

- (a) the winding up, dissolution, administration or reorganisation of any Obligor or any change in the status, function, control or ownership of any Obligor;
- (b) any legal limitation, disability, incapacity or other circumstances relating to the Chargor or any other Obligor in relation to the indebtedness or any of the obligations of any Obligor in relation to the Secured Obligations being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- (c) any time or other indulgence being granted or agreed to be granted to any Obligor in respect of its obligations in relation to the Secured Obligations or under any other Security;
- (d) any amendment to, or any variation, waiver or release of any obligation of any Obligor in relation to the Secured Obligations;
- (e) any failure to take, or fully to take, any Security agreed to be taken in respect of the obligations of any Obligor in relation to the Secured Obligations;
- (f) any failure to realise or fully to realise the value of, or any release, discharge, exchange or substitution of, any such Security taken in respect of any Obligor in relation to the Secured Obligations;
- (g) any time or other indulgence being granted or agreed to be granted to the Chargor in respect of its obligations in relation to the Secured Obligations or this Standard Security;
- (h) any amendment to, or any variation, waiver or release of any obligation of the Chargor in relation to the Secured Obligations or this Standard Security; or
- (i) any other act, event or omission which, but for this Clause might operate to discharge, impair or otherwise affect any of the obligations of the Chargor herein contained or any of the rights, powers or remedies conferred upon the Security Trustee by this Standard Security or by law.

12.2 Any settlement or discharge given by the Security Trustee to the Chargor in respect of the Chargor's obligations hereunder or any other agreement reached between the Security Trustee and the Chargor in relation thereto shall be, and be deemed always to have been, void if any act on the faith of which the Security Trustee gave the Chargor the settlement or discharge or entered into that agreement is subsequently avoided by or in pursuance of any provision of law.

12.3 No assurance, security or payment which may be avoided under any enactment relating to bankruptcy, insolvency, winding-up or any similar process (including under sections 238 to 245 (inclusive) of the Insolvency Act 1986) and no release, settlement or discharge given or made by the Security Trustee or a Secured Party on the faith of any such assurance, security or payment, shall prejudice or affect the right of such persons to enforce the security created by or pursuant to this Standard Security in respect of the full extent of the Secured

Obligations hereby secured. The Security Trustee shall be at liberty at its absolute discretion to retain the security so created as security for the Secured Obligations for a period of one month plus such statutory period within which any security or payment given or made pursuant to this Standard Security may be avoided or invalidated after the Secured Obligations hereby secured shall have been paid in full, notwithstanding any release, settlement, discharge or arrangement given or made by the Security Trustee or a Secured Party on or as a consequence of such termination of liability. If at any time within such period after such termination, a petition shall be presented to a competent court for an order for the bankruptcy, insolvency, winding up or similar process of or in respect of the Chargor or the Chargor shall commence to be wound up voluntarily or an application for an administration order shall be made to a competent court in respect of the Chargor, the Security Trustee shall be at liberty, notwithstanding the above, to continue to retain such security or any part thereof for and during such further period as the Security Trustee in its absolute discretion shall determine. The Chargor agrees that such security shall be deemed to have been and to have remained held by the Security Trustee as and by way of security for the payment to the Security Trustee of all or any sums which may become due and owing to the Security Trustee or a Secured Party in respect of the Secured Obligations hereby secured.

12.4 The Security Trustee shall not be obliged before exercising any of the rights, powers or remedies conferred upon it in respect of the Chargor hereby or by law:

- (a) to make any demand of any other Obligor;
- (b) to take any action or obtain judgement in any court against any other Obligor;
- (c) to make or file any claim or proof in a winding-up or dissolution of any other Obligor;
or
- (d) to enforce or seek to enforce any other Security taken in respect of any of the obligations of any other Obligor in relation to the Secured Obligations.

12.5 The Chargor agrees that, so long as any amounts are or may be owed by any other Obligor in relation to the Secured Obligations or any other Obligor has any actual or contingent obligations in respect of the Secured Obligations the Chargor shall not exercise any rights which the Chargor may at any time have by reason of the performance by it of its obligations hereunder:

- (a) to be indemnified by any other Obligor;
- (b) to claim any contribution from any other guarantor of the Secured Obligations; and/or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Trustee or any other Secured Party hereunder or under any other Security taken pursuant to, or in connection with, the Secured Obligations.

13 Governing Law and Jurisdiction

13.1 This Standard Security and any non-contractual obligations arising out of or in relation to this Standard Security shall be governed by and construed in accordance with the laws of Scotland.

- 13.2 The Chargor irrevocably agrees for the benefit of the Security Trustee and each Secured Party that the Court of Session in Scotland (the "Court") shall have exclusive jurisdiction (subject as provided below) in relation to any claim, dispute or difference concerning this Standard Security and in relation to, or in relation to the enforcement of, any judgement relating to any such claim, dispute or difference.
- 13.3 The Chargor irrevocably waives any right that it may have to object to an action being brought in the Court, to claim that the action has been brought in an inconvenient forum or to claim that the Court does not have jurisdiction.
- 13.4 Such aforesaid submission to the jurisdiction of the Court shall not (and shall not be construed as to) limit the right of the Security Trustee to bring legal proceedings in any other court of competent jurisdiction (including, without limitation, the courts having jurisdiction by reason of the Chargor's place of incorporation). Legal proceedings by the Security Trustee in any one or more jurisdictions shall not preclude legal proceedings by them or it in any other jurisdiction, whether by way of substantive action, ancillary relief, enforcement or otherwise.

14 Warrandice

The Chargor grants warrandice.

IN WITNESS WHEREOF this Standard Security consisting of this and the preceding 13 pages together with the Schedule is executed as follows:

CHARGOR

EXECUTED for and on behalf of
Cardrona Hotel, Golf & Country Club Limited

 Director (Signature)

ROBERT GORDON FRASER Print Name

in the presence of:

 Witness Signature

EMILY NICHOLL Print Name

 Address

on 20 AUGUST 2020

at EAST KILBRIDE

THIS IS THE SCHEDULE REFERRED TO IN THE FOREGOING STANDARD SECURITY BY
CARDRONA HOTEL, GOLF & COUNTRY CLUB LIMITED IN FAVOUR OF BANK OF SCOTLAND
PLC AS SECURITY TRUSTEE FOR EACH OF THE SECURED PARTIES

Schedule

Property

ALL and WHOLE (In the first place) the two areas of land at Cardrona in the County of Peebles extending to 36.5 hectares and 42.85 hectares or thereby shown tinted pink, blue and yellow on the plan annexed and executed as relative hereto which said two areas of land are more particularly described in, in feu farm disposed by and respectively shown cross hatched red on Plan A annexed and executed as relative to the Feu Contract between Thomas Renwick and Cardrona Hotel, Golf & Country Club Limited dated First and recorded in the Division of the General Register of Sasines for the County of Peebles on Third, both days of March Nineteen hundred and Ninety-nine under exception of those two areas of ground forming the waste water treatment site at Cardrona being the subjects more particularly described in and disposed by the Statutory Conveyance by the Chargor to Scottish Water, currently undergoing registration in the Land Register of Scotland under Title Number PBL7002; TOGETHER WITH (One) those rights more particularly described in the said Feu Contract dated and recorded as aforesaid; (Two) the whole buildings erected thereon; (Three) the fittings and fixtures therein and thereon; (Four) the goodwill insofar as heritable and (Five) the Chargor's whole right, title and interest, present and future in and to the property; and (In the second place) the subjects forming the 18th golf tee at Cardrona Golf Course being the subjects shown tinted pink and blue on the plan annexed and executed as relative to the Disposition by Renwick Country Properties Limited in favour of the Chargor dated 3 December 2018 as more particularly described in and disposed by the same, currently undergoing registration in the Land Register of Scotland under Title Number PBL7084.



Chargor – Director

Cardrona
Feudal

This is the plan referred to in the foregoing Standard Security by Cardrona Hotel, Golf and Country Club Limited
in favour of Bank of Scotland PLC

