

M

COMPANIES FORM No. 466(Scot)

466

Particulars of an instrument of alteration to a floating charge created by a company registered in Scotland

CHFP025

Please do not write in this margin

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

Pursuant to section 410 and 466 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number

Please complete legibly, preferably in black type, or bold block lettering

16

SC268072

Name of company

* MREF SHEFFIELD LIMITED

* insert full name of Company

Date of creation of the charge (note 1)

31 December 2013

Description of the instrument creating or evidencing the charge or of any ancillary document which has been altered (note 1)

Debenture

Names of the persons entitled to charge

Accor UK Business and Leisure Hotels Limited

Short particulars of all the property charged

The Debenture includes a charge by way of Floating Charge over the Company's undertaking and assets, present and future and wherever situated, which are not for any reason effectively charged (whether in law or equity) by way of fixed security by the Debenture, including, without limitation, any heritable property of the Company situated in Scotland.

Presentor's name address and reference (if any):

PINSENT MASONS LLP
141 BOTHWELL STREET
GLASGOW
G2 7EQ

DX GW 135 GLASGOW

For official use (06/2005)

Charges Sec

FRIDAY



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SCT

17/01/2014

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COMPANIES HOUSE

Names, and addresses of the persons who have executed the instrument of alteration (note 2)

MREF TRADECO LIMITED registered number 05903110, Nightingale House, 65 Curzon Street, London, W1J 8PE;

MREF SHEFFIELD LIMITED registered number SC268072. 15 Atholl Crescent, Edinburgh, EH3 8HA;

ACCOR UK BUSINESS AND LEISURE HOTELS LIMITED registered number 01016187, 1 Shortlands, Hammersmith, London, W6 8DR;

BANK OF SCOTLAND PLC, The Mound Edinburgh, EH1 1YZ

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write in
this margin*

*Please complete
legibly, preferably
in black type, or
bold block lettering*

Date(s) of execution of the instrument of alteration

31 December 2013

A statement of the provisions, if any, imposed by the instrument of alteration prohibiting or restricting the creation by the company of any fixed security or any other floating charge having, priority over, or ranking pari passu with the floating charge

Except as the Agent has previously consented in writing the Company shall not during the Subordination Period create or permit to subsist any Security over any of its assets for all or part of the Subordinated Liabilities other than on the terms of (i) the security conferred by the Subordinated Security Document or (ii) the Tradeco Account Charge.

See Schedule annexed for definitions.

Short particulars of any property released from the floating charge

NONE

The amount, if any, by which the amount secured by the floating charge has been increased

NONE

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write in
this margin*

A statement of the provisions, if any, imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges

*Please complete
legibly, preferably
in black type or
bold block lettering*

The regulated Security shall rank as follows:

First, solely in relation to the Tradeco Account, the Tradeco Account Charge

Second, the Senior Security Documents; and

Third, the Subordinated Security Document

See Schedule annexed for definitions

Continuation of the statement of the provisions, if any, imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges

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Please complete
legibly, preferably
in black type, or
bold block lettering

Signed Nat Hogg, Partner For Pinson Mason LLP Date 16-1-18
On behalf of ~~the company~~ chargee †

A fee is payable to
Companies House
in respect of each
register entry for a
mortgage or
charge.
(See Note 5)

Notes

1. A description of the instrument e.g. "Instrument of Charge" "Debenture" etc, as the case may be, should be given. For the date of creation of a charge see section 410(5) of the Companies Act.
2. In accordance with section 466(1) the instrument of alteration should be executed by the company, the holder of the charge and the holder of any other charge (including a fixed security) which would be adversely affected by the alteration.
3. A certified copy of the instrument of alteration, together with this form with the prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of execution of that instrument.
4. A certified copy must be signed by or on behalf of the person giving the certification and where this is a body corporate it must be signed by an officer of that body.
5. A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders are to be made payable to **Companies House**.
6. The address of the Registrar of Companies is: Companies House, 139 Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP - 4 Edinburgh 2

† delete as
appropriate

Schedule of Definitions

"Agent" means the Bank of Scotland PLC as agent for the Finance Parties and security agent for the Secured Parties (each as defined in the Senior Facility Agreement);

"Deed of Variation" means the deed of variation dated on or about the date of the Subordination Deed and made between the Subordinated Creditor, MREF Capital Co. Limited, MREF Tradeco Limited, the Owners (as defined therein) and the Landlords (as defined therein);

"Framework Agreement" means the framework agreement between MREF Capital Co Limited, the Landlord and the Subordinated Creditor dated 16 March 2007 (as amended and restated in accordance with the Deed of Variation);

"Landlord" means MREF Sheffield Limited (registered in Scotland with Registered Number SC268072);

"Liability" means any present or future obligation or liability (actual or contingent), joint or several and in any capacity whatsoever) and includes any permitted novation, deferral or extension of any such obligation or liability;

"Management Agreement" means the management agreement between the Landlord, the Owner and the Subordinated Creditor dated 16 March 2007 (as amended and restated in accordance with the Deed of Variation);

"Obligors" means the Owner or Landlord;

"Owner" means MREF Tradeco Limited (registered in England and Wales with Registered Number 05903110);

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

"Senior Facility Agreement" means the facility agreement dated 3 August 2007 as amended and restated on 31 March 2008 and as further amended and restated on 13 July 2010 and as further amended and restated on or about the date of the Subordination Deed between (among others) the Owner and the Agent;

"Senior Finance Documents" means the "Finance Documents" as defined in the Senior Facility Agreement;

"Senior Finance Parties" means the "Finance Parties" as defined in the Senior Facility Agreement;

"Senior Liabilities" means all Liabilities payable or owing by the Obligors to a Senior Finance Party under or in connection with the Senior Finance Documents;

"Senior Security Document" has the meaning given to the term "Security Documents" under the Senior Facility Agreement;

"Subordinated Creditor" means Accor UK Business and Leisure Hotels Limited (registered in England and Wales with Registered Number 01016187);

"Subordinated Documents" means the Subordinated Loan Agreement, each Management Agreement, the Framework Agreement, the Deed of Variation and the Subordinated Security Document;

"Subordinated Loan Agreement" means the £9,000,000 loan agreement between the Subordinated Creditor, the Owner, the Landlord and others dated on or about the date of the Subordination Deed;

"Subordinated Security Document" means the debenture between the Subordinated Creditor and the Owner and the Landlord and in the case of MREF TradeCo Limited and Ardoe House Hotel Limited only the standard securities granted in favour of the Subordinated Creditor, each dated on or about the date of the Subordination Deed and any other document providing for a guarantee or security in favour of the Subordinated Creditor in respect of the obligations of the Landlord and/or the Owner under the Subordinated Documents which has been designated a "Subordinated Security Document" by the Agent and the Subordinated Creditor excluding the Tradeco Account Charge;

"Subordination Deed" is the subordination deed between MREF Tradeco Limited as owner, MREF Sheffield Limited as Landlord, ACCOR UK Business and Leisure Hotels Limited as subordinated creditor and Bank of Scotland PLC as agent dated 31 December 2013 and is the Instrument of Alteration;

"Subordination Period" means the period beginning on 31 December 2013 and ending on the date on which all the Senior Liabilities have been irrevocably paid and discharged in full and the Senior Finance Parties have no further obligations under the Senior Finance Documents;

"Tradeco Account Charge" means the charge over the Tradeco Charged Account in favour of the Subordinated Creditor to be entered into in accordance with the Subordinated Loan Agreement;

"Tradeco Charged Account" means the account to be opened by MREF Tradeco Limited with Bank of Scotland plc in accordance with clause 2.4.2 of the Subordinated Loan Agreement;



FILE COPY

**CERTIFICATE OF THE REGISTRATION
OF AN ALTERATION TO A FLOATING CHARGE**

COMPANY NO. 268072

CHARGE CODE SC26 8072 0006

I HEREBY CERTIFY THAT PARTICULARS OF AN INSTRUMENT
OF ALTERATION DATED 31 DECEMBER 2013 WERE
DELIVERED PURSUANT TO SECTION 466 OF THE COMPANIES
ACT 1985
ON 17 JANUARY 2014

THE INSTRUMENT RELATES TO A CHARGE CREATED ON 31
DECEMBER 2013

BY MREF SHEFFIELD LIMITED

IN FAVOUR OF
ACCOR UK BUSINESS & LEISURE HOTELS LIMITED

GIVEN AT COMPANIES HOUSE, EDINBURGH 22 JANUARY 2014



Companies House



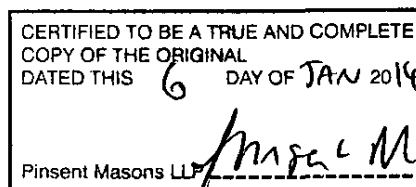
THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

OLSWANG

31 December 2013

SUBORDINATION DEED

- (1) **MREF TRADECO LIMITED AS OWNER**
- (2) **MREF SHEFFIELD LIMITED AS LANDLORD**
- (3) **ACCOR UK BUSINESS AND LEISURE HOTELS LIMITED AS
SUBORDINATED CREDITOR**
- (4) **BANK OF SCOTLAND PLC AS AGENT**



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THIS DEED is made on

31 December 2013

BETWEEN:

- (1) **MREF TRADECO LIMITED** (the "**Owner**") (registered in England and Wales with registered number 05903110);
- (2) **MREF SHEFFIELD LIMITED** (the "**Landlord**") (registered in Scotland with registered number SC268072);
- (3) **ACCOR UK BUSINESS AND LEISURE HOTELS LIMITED** (registered in England and Wales with registered number 01016187) (the "**Subordinated Creditor**"); and
- (4) **BANK OF SCOTLAND PLC** (the "**Agent**") as agent for the Finance Parties and security agent for the Secured Parties (each as defined in the Senior Facility Agreement defined below).

RECITALS:

- (A) Each of the Obligors and the Subordinated Creditor enters into this Deed in connection with the Senior Facility Agreement (as defined below).
- (B) This document is intended to take effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed, the following words and expressions shall have the following meanings unless the context requires otherwise:

"Authorisations" means an authorisation, consent approval, resolution, licence, exemption, filing, notarisation or registration;

"Business Day" means a day (other than a Saturday, Sunday or public holiday) when banks in London and Jersey are open for business;

"Deed of Variation" means the deed of variation dated on or about the date of this Deed and made between Subordinated Creditor, MREF Capital Co. Limited, MREF Tradeco Limited, the Owners (as defined therein) and the Landlords (as defined therein);

"Enforcement Action" means any action whatsoever to:

- (a) demand payment of, declare prematurely due and payable or otherwise seek to accelerate payment of or place on demand, all or any part of the Subordinated Liabilities;
- (b) recover all or any part of the Subordinated Liabilities (including, without limitation, by exercising any right of set-off or combination of accounts);
- (c) exercise or enforce any security right or rights against an Obligor, guarantors or sureties or any other rights under any other document or agreement in relation to (or given in support of) all or any part of the Subordinated Liabilities (including, without limitation, under the Subordinated Security Document);
- (d) petition or make an application for (or take any other steps or action which may lead to) an Insolvency Event in relation to an Obligor; or
- (e) commence legal proceedings against an Obligor;

"Framework Agreement" means the framework agreement between MREF Capital Co Limited, the Landlord and the Subordinated Creditor dated 16 March 2007 (as amended and restated in accordance with the Deed of Variation);

"Group" means MREF Hotels Limited and its subsidiaries from time to time;

"Insolvency Event" means:

- (a) any petition, application, notice, resolution or order made, passed or given for or in connection with the liquidation, dissolution, administration, receivership or reorganisation of an Obligor;
- (b) an Obligor becomes subject to any insolvency, reorganisation, receivership (whether relating to all or some only of its assets), liquidation, dissolution or other similar proceedings, whether voluntary or compulsory and whether or not involving the insolvency of such Obligor;
- (c) an Obligor assigns all or any of its assets for the benefit of its creditors generally (or any class of its creditors) or proposes to or enters into any composition or arrangement with its creditors generally or any arrangement is ordered or declared by a court of competent jurisdiction whereby all or any of its affairs and/or assets are submitted to the control of, or are protected from or on behalf of, its creditors; or
- (d) any event analogous to any of the events set out in paragraphs (a) to (c) above occurs in relation to an Obligor or any of its assets in any jurisdiction;

"Liability" means any present or future obligation or liability (actual or contingent, joint or several and in any capacity whatsoever) and includes any permitted novation, deferral or extension of any such obligation or liability;

"Management Agreement" means the management agreement between the Landlord, the Owner and the Subordinated Creditor dated 16 March 2007 (as amended and restated in accordance with the Deed of Variation);

"Manager Breach" means a material breach by the Subordinated Creditor of its obligations under the Management Agreement, entitling the Owner to terminate the Management Agreement pursuant to clause 18.1 (End of Contract by virtue of Material Breach) of the Management Agreement;

"Non-Disturbance Agreement" means the non-disturbance agreement between the Owner, the Landlord, the Subordinated Creditor and the Agent dated on or about the date of this Deed;

"Obligor" means the Owner or the Landlord;

"Permitted Enforcement Action" means any Enforcement Action that is taken:

- (a) in the case of the termination of the Management Agreement by the Owner under clause 18.1 (End of the Contract by virtue of Material Breach) of the Management Agreement, more than 30 calendar days after written notification of the Subordinated Creditor's intention to take Enforcement Action is delivered to the Agent following the later of:
 - (i) 1 August 2017 (if it has not already passed as of the date of termination of that Management Agreement); and
 - (ii) the date falling 3 years after the date of termination of that Management Agreement; or
- (b) in the case of the termination of the Management Agreement by the Owner under clause 6.3 (Termination without cause) of the Framework Agreement or by the Manager under clause 18.1 (End of the Contract by virtue of Material Breach) of the Management Agreement, more than seven calendar days after written notification of the Subordinated Creditor's intention to take Enforcement Action is delivered to the Agent following such termination; or
- (c) at any time solely under the Tradeco Account Charge in accordance with the terms of the Subordinated Loan Agreement and Tradeco Account Charge.

"Permitted Payment" means payments and receipts permitted by Clause 6 (Permitted Payments);

"Regulated Security" means the security created by Senior Security Documents, the Subordinated Security Document and Tradeco Account Charge or any of them;

"Rent Account" means the bank account number 120103-6089875 held in the name of MREF Tradeco Ltd with Bank of Scotland plc;

"Senior Default" has the meaning given to the term "Default" under the Senior Facility Agreement;

"Senior Facility Agreement" means the facility agreement dated 3 August 2007 as amended and restated on 31 March 2008 and as further amended and restated on 13 July 2010 and as further amended and restated on or about the date of this Deed between (among others) the Owner and the Agent;

"Senior Finance Parties" means the "Finance Parties" as defined in the Senior Facility Agreement;

"Senior Finance Documents" means the "Finance Documents" as defined in the Senior Facility Agreement;

"Senior Liabilities" means all Liabilities payable or owing by the Obligors to a Senior Finance Party under or in connection with the Senior Finance Documents;

"Senior Security Documents" has the meaning given to the term "Security Documents" under the Senior Facility Agreement;

"Subordinated Creditor Accession Undertaking" means an undertaking substantially in the form set out in the Schedule (Form of Subordinated Creditor Accession Undertaking) to this Deed;

"Subordinated Documents" means the Subordinated Loan Agreement, each Management Agreement, the Framework Agreement, the Deed of Variation and the Subordinated Security Document;

"Subordinated Loan Agreement" means the £9,000,000 loan agreement between the Subordinated Creditor, the Owner, the Landlord and others dated on or about the date of this Deed;

"Subordinated Liabilities" means all Liabilities payable or owing by an Obligor as principal or guarantor to the Subordinated Creditor under or in connection with (i) the Subordinated Loan Agreement (except Tradeco Account Liabilities) (ii) the Termination Fee and (iii) the Subordinated Security Document;

"Subordinated Security Document" means the debenture between the Subordinated Creditor and the Owner and the Landlord, and in the case of MREF TradeCo Limited and Ardoe House Hotel Limited only the standard securities granted in favour of the Subordinated Creditor, each dated on or about the date of this Deed and any other document providing for a guarantee or security in favour of the Subordinated Creditor in respect of the obligations of the Landlord and/or the Owner under the Subordinated Documents which has been designated a "Subordinated Security Document" by the Agent and the Subordinated Creditor excluding the Tradeco Account Charge;

"Subordination Period" means the period beginning on the date of this Deed and ending on the date on which all the Senior Liabilities have been irrevocably paid and

discharged in full and the Senior Finance Parties have no further obligations under the Senior Finance Documents;

"Termination Fee" has the meaning given to such term in the Management Agreement;

"Tradeco Account Charge" means the charge over the Tradeco Charged Account in favour of the Subordinated Creditor to be entered into in accordance with the Subordinated Loan Agreement;

"Tradeco Account Liabilities" means all Liabilities payable or owing by an Obligor to the Subordinated Creditor pursuant to clause 3.3 of the Subordinated Loan Agreement provided that the aggregate of all such Liabilities shall at all times and for all purposes extend only to the amount standing to the credit of the Tradeco Charged Account;

"Tradeco Charged Account" means the account to be opened by MREF Tradeco Limited with Bank of Scotland plc in accordance with clause 2.4.3 of the Subordinated Loan Agreement.

1.2 Construction

1.2.1 In this Deed (except where the context requires otherwise):

- 1.2.1.1 clause and Schedule headings shall not affect the interpretation of this Deed;
- 1.2.1.2 a reference to a person shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees;
- 1.2.1.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.1.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.1.5 a reference to a Party shall include that Party's successors, permitted assigns and permitted transferees;
- 1.2.1.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.1.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.1.8 a reference to **writing** or **written** includes fax but not e-mail;

- 1.2.1.9 a reference to **this Deed** (or any provision of it) or to any other agreement or document referred to in this Deed is a reference to this Deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this Deed) from time to time;
- 1.2.1.10 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this Deed;
- 1.2.1.11 any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.2.1.12 a reference to a document is to that document as novated, re-enacted, supplemented, extended, restated or varied from time to time;
- 1.2.1.13 a reference to an **amendment** includes a novation, re-enactment, supplement, extension, restatement or variation (and **amended** shall be construed accordingly);
- 1.2.1.14 any undertaking of the Obligors or the Subordinated Creditor under this Deed remains in force during the Subordination Period.
- 1.2.2 If the Agent considers that an amount paid to a Senior Finance Party under a Senior Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- 1.3 The Obligors shall provide a copy extract from the Senior Facility Agreement to the Subordinated Creditor on the date of this Deed, such extract to include all of the defined terms and financial covenants, and shall, if such defined terms or financial covenants are amended at any time after the date of this Deed, provide a further copy extract to the Subordinated Creditor promptly following the date on which such amendments become effective.
- 2. **SUBORDINATION**
 - 2.1.1 During the Subordination Period, the Subordinated Liabilities are subordinate in right of payment to the Senior Liabilities.
 - 2.1.2 Payment of any amount of the Subordinated Liabilities (except for Permitted Payments) is prohibited and may not occur until the Senior Liabilities have been irrevocably paid and discharged in full.

3. RANKING

3.1 Ranking of security

The Agent and the Subordinated Creditor agree and the Obligors acknowledge, that the Regulated Security shall rank in priority as a continuing security as follows:

3.1.1 first, solely in relation to the Tradeco Account, the Tradeco Account Charge;

3.1.2 second, the Senior Security Documents; and

3.1.3 third, the Subordinated Security Document.

3.2 Ranking to prevail

The ranking and priority provided for in this Deed will apply regardless of:

3.2.1 the nature of the security created by the Regulated Security;

3.2.2 order of registration, notice, execution or otherwise;

3.2.3 the date on which any of the Liabilities arise;

3.2.4 any fluctuations in the amount of the Liabilities outstanding or any intermediate discharge of the Liabilities in whole or in part;

3.2.5 any contrary provision in any Senior Finance Document or Subordinated Document; and

3.2.6 the occurrence of any Insolvency Event.

3.3 Continuing security

Subject to the provisions of this Deed, the Regulated Security shall rank as continuing security for the payment and discharge of all the liabilities and obligations the payment and/or discharge of which are thereby secured and shall not be affected by any fluctuation in the monies, obligations and liabilities from time to time due, owing or incurred to any Senior Finance Party or the Subordinated Creditor or by the existence at any time of a credit balance on any current or other account of the Obligors with a Senior Finance Party or the Subordinated Creditor.

3.4 Subordinated Creditor and Agent not to challenge validity

The Subordinated Creditor and the Agent will not challenge or question the validity or enforceability of the Regulated Security, nor provide funds to any other person to enable that person to do any such thing.

3.5 Co-operation

The Obligors, the Subordinated Creditor and the Agent undertake to co-operate with each other with a view to reflecting the ranking and priority of the Regulated Security provided for in this Deed in any register or with any filing or registration authority.

3.6 Documents of title

The Agent shall be entitled to possession of any title deeds or other title documents, certificates or papers in respect of any assets which are the subject of any security created or constituted by the Senior Security Documents in priority to any entitlement of the Subordinated Creditor. The Agent shall have no responsibility to require or maintain such possession.

3.7 Consents

The Agent consents to the creation and continuance of the Subordinated Security Document and Tradeo Account Charge and the Subordinated Creditor consents to the creation and continuance of the Senior Security Documents.

3.8 Land Registry

To the extent applicable each of the parties applies to the Registrar at Land Registry to note in the appropriate manner at Land Registry the ranking and priority arrangements set out in this Deed in so far as the same affect any registered land comprised in the Regulated Security.

3.9 Floating charge

3.9.1 If the Senior Security Documents include a floating charge the Agent confirms that it has not taken any action to crystallise such a floating charge nor is it aware (without imposing any obligation on the Agent to make positive enquiries or searches) that any such floating charge has crystallised.

3.9.2 If the Subordinated Security Document include a floating charge the Subordinated Creditor confirms that it has not taken any action to crystallise such a floating charge nor is it aware (without imposing any obligation on the Subordinated Creditor to make positive enquiries or searches) that any such floating charge has crystallised.

3.9.3 Each Obligor confirms and warrants to the Agent and the Subordinated Creditor that it has not ceased to carry on business, that no floating charge given by it has at the date of this Deed crystallised and it is not aware of any event having occurred or about to occur which could result in the crystallisation of any such floating charge.

3.10 Senior Liabilities

- 3.10.1 Subject to Clause 3.10.2 below, the Agent is entitled to grant time or indulgence, release, compound or otherwise deal with and receive moneys in respect of and to vary and amend the Senior Finance Documents without reference to the Subordinated Creditor without affecting the ranking established by this Deed.
- 3.10.2 The Agent shall not make any further advances or any amendment to the Senior Finance Documents which has the effect of increasing the Senior Liabilities except for an increase in an aggregate amount of no more than £4,000,000 to be available for no more than six months in any 12 month period. The Agent shall notify the Subordinated Creditor in writing, at least 10 Business Days before any further advance or amendment is made, and shall provide to the Subordinated Creditor details of the amount and term of the increased Senior Liabilities.
- 3.10.3 The Subordinated Creditor consents to the grant by the Obligors of additional or further security for the Senior Liabilities. Any such additional security shall constitute a Senior Security Document and shall rank in accordance with the provisions of this Deed.

4. ENFORCEMENT OF SECURITY

4.1 Application

This Clause 4 applies only during the Subordination Period.

4.2 Prohibition on enforcement by the Subordinated Creditor

- 4.2.1 The Subordinated Creditor shall not take any Enforcement Action in respect of the Subordinated Security (except for Permitted Enforcement Action) without the prior written consent of the Agent.
- 4.2.2 Nothing in this Clause shall restrict any Enforcement Action in respect of the Tradeco Account Charge.

4.3 Proceeds

The Subordinated Creditor and Agent undertake to co-operate with each other to ensure that the proceeds of any realisation of the assets which are the subject of any security created or constituted by the Regulated Security are applied in accordance with Clause 12 (Application of proceeds).

4.4 Timing of enforcement

The Agent may refrain from enforcing its part of the Regulated Security for as long as it sees fit.

5. UNDERTAKINGS

5.1 Undertakings of the Obligors

Except as the Agent has previously consented in writing, during the Subordination Period the Obligors shall not:

- 5.1.1 create or permit to subsist any Security over any of its assets for all or part of the Subordinated Liabilities or any guarantee (or other assurance against financial loss) for or in respect of all or any part of the Subordinated Liabilities, other than on the terms of (i) the security conferred by the Subordinated Security Document or (ii) the Tradeco Account Charge;
- 5.1.2 except for Permitted Payments pay, repay, prepay, redeem, purchase or otherwise discharge or release or make any distribution (in cash or kind) in respect of any of the Subordinated Liabilities;
- 5.1.3 amend any of the terms of the Subordinated Documents;
- 5.1.4 discharge any of the Subordinated Liabilities by set-off or any right of combination of accounts save only (and in any such event subject to Clause 7 (Turnover)) to the extent it may be required to do so or if the same occurs automatically by operation of law (but not, in either case, by reason of any contract or agreement);
- 5.1.5 give any financial support to any person to enable it to do any of the things referred to in Clauses 5.1.1 to 5.1.4 (inclusive); or
- 5.1.6 take or omit to take any action whereby the ranking or subordination arrangements provided for in this Deed may be impaired or adversely affected.

5.2 Undertakings of the Subordinated Creditor

Except as the Agent has previously agreed in writing during the Subordination Period the Subordinated Creditor shall not:

- 5.2.1 (except for Permitted Payments) demand or accept payment, repayment, prepayment or any distribution in respect of, or on account of, any of the Subordinated Liabilities in cash or in kind in respect of the Subordinated Liabilities;
- 5.2.2 (except for Permitted Enforcement Action) accelerate, declare payable on demand or enforce by execution or otherwise any principal, interest, cost or other sums in respect of the Subordinated Liabilities;
- 5.2.3 (except for Permitted Enforcement Action) exercise any right of set-off, combination of accounts or lien or exercise any remedy for the recovery of the Subordinated Liabilities or accept any transfer of rights, property or assets from the Obligors (or any other source) in satisfaction of the Subordinated Liabilities;

- 5.2.4 take, receive or permit to subsist any Security or guarantee (or other assurance against financial loss) for, or in respect of, any of the Subordinated Liabilities, other than on the terms of (i) the Security conferred by the Subordinated Security Document or (ii) the Tradeco Account Charge;
- 5.2.5 amend, vary, waive or release any provision of the Subordinated Documents;
- 5.2.6 sell, transfer or otherwise dispose of any of the Subordinated Liabilities or its rights under the Subordinated Security Document save to an entity to whom it also assigns or transfers all of its rights and obligations under and in accordance with the terms of the Management Agreement, the Non-Disturbance Agreement, the Subordinated Loan Agreement and the Subordinated Security Document, provided that prior to such assignment, transfer or other disposal taking effect, such entity delivers a duly executed Subordinated Creditor Accession Undertaking to the Agent;
- 5.2.7 take any Enforcement Action involving an Obligor (except for Permitted Enforcement Action); or
- 5.2.8 take or omit to take any action whereby the ranking or the subordination arrangements provided for in this Deed may be impaired or adversely effected.

6. **PERMITTED PAYMENTS**

6.1 Subject to Clause 9 (Subordination on Insolvency) and provided that:

- 6.1.1 no Senior Default arising from the non-payment of interest which is due and payable under the Senior Finance Documents has occurred (or is likely to occur as a result of making a Permitted Payment); and
- 6.1.2 the Management Agreement has not been terminated,

the Owner may pay from the Rent Account only and the Subordinated Creditor may receive and retain payment of scheduled payments of interest under the Subordinated Loan Agreement not earlier than the date the same are scheduled to be due in accordance with the Subordinated Loan Agreement.

6.2 Subject to Clause 9 (Subordination on Insolvency), at any time following:

- 6.2.1 the termination of the Management Agreement by the Owner under clause 6.3 (Termination without cause) of the Framework Agreement or by the Manager under clause 18.1 (End of the Contract by virtue of Material Breach) of the Management Agreement; or
- 6.2.2 the termination of the Management Agreement by the Owner under clause 18.1 (End of the Contract by virtue of Material Breach) of the Management Agreement, following the later of:

6.2.2.1 1 August 2017 (if it has not already passed as of the date of termination of that Management Agreement); and

6.2.2.2 the date falling 3 years after the date of termination of that Management Agreement,

the Owner may pay and the Subordinated Creditor may receive and retain payment of all Subordinated Liabilities then due and payable.

6.3 At any time the Obligor may pay and the Subordinated Creditor may receive and retain payment of any Tradeco Account Liabilities then due and payable, solely out of monies standing to the credit of the Tradeco Charged Account in accordance with the terms of the Subordinated Loan Agreement and Tradeco Account Charge.

6.4 In this Clause, a payment or receipt includes a payment or receipt by set-off.

7. TURNOVER

7.1 If, during the Subordination Period, the Subordinated Creditor:

7.1.1 receives a payment or distribution in respect of any of the Subordinated Liabilities from an Obligor or any other source (other than a Permitted Payment); or

7.1.2 receives or recovers any proceeds pursuant to any Enforcement Action (except in relation to the Tradeco Account Charge),

the Subordinated Creditor must hold the amount received by it (up to a maximum of an amount equal to the Senior Liabilities) on trust for the Senior Finance Parties and immediately pay that amount (up to that maximum) to the Agent for application against the Senior Liabilities.

7.2 If, for any reason, any of the Subordinated Liabilities is discharged in any manner other than as permitted under this Deed, the Subordinated Creditor must immediately pay an amount equal to the amount discharged (up to a maximum of an amount equal to the Senior Liabilities) to the Agent for application against the Senior Liabilities.

8. CONSENTS AND RELEASE OF SECURITY

8.1 Conflicting transaction

8.1.1 The Subordinated Creditor will not have any remedy against an Obligor or any Senior Finance Party by reason of a Senior Finance Party and an Obligor entering into any transaction in connection with a Senior Finance Document which results in a potential event of default or an event of default (however described) under the Subordinated Loan Agreement and Subordinated Security Document (a "conflicting transaction").

8.1.2 In the case of a conflicting transaction, the Subordinated Creditor will be deemed to have granted any waiver or consent in respect of the Subordinated Loan Agreement and Subordinated Security Document which has been granted by or on behalf of any Senior Finance Party in respect of any Senior Finance Document.

8.2 Waiver or consent

If the Agent gives a consent in respect of the Senior Finance Documents then the Subordinated Creditor shall be deemed to have given an equal consent in respect of any relevant or equivalent terms of the Subordinated Loan Agreement or the Subordinated Security Documents and shall do all things and execute all such documents as the Agent may require to give effect to this Clause 8.2.

8.3 Release

If, during the Subordination Period, the shares in or any assets of a member of the Group are being sold or appropriated pursuant to a power of sale or otherwise under the terms of the Senior Security Documents or any statutory authority at a time when a Senior Default is continuing, the Subordinated Creditor shall forthwith on the request of the Agent (acting in good faith and in favour of the Senior Finance Parties and the Obligors (as applicable)):

8.3.1 release the relevant member(s) of the Group from any security and from all or any part of the Subordinated Liabilities and any other claim of the Subordinated Creditor under the Subordinated Documents;

8.3.2 in the case of a sale of assets where such assets consist of shares in the capital of a member of the Group release that member of the Group and any subsidiary of that member of the Group from any security and from all or any part of the Subordinated Liabilities and any other claim of the Subordinated Creditor under the Subordinated Documents;

8.3.3 execute and deliver or enter into any release of the Subordinated Documents or any claim described in Clauses 8.3.1 and 8.3.2 above and issue any certificates of non-crystallisation of any floating charge or any consent to dealing that may, in the reasonable opinion of the Agent, be considered necessary; and

8.3.4 transfer to a third party nominated by the Agent, all or part of its rights in respect of the Subordinated Liabilities,

provided that nothing in this Clause 8 shall require the Subordinated Creditor to release the Tradeco Account Charge, the TradeCo Account Liabilities, or any rights of the Subordinated Creditor in respect of Unamortised Additional Key Monies (as that term is defined in the Deed of Variation) or shall prejudice any of the Subordinated Creditors' rights that are protected by, or otherwise in connection with, any Restriction (as that term is defined in the Deed of Variation) or the Additional Key Money Restriction (as that term

is defined in the Deed of Variation). For the avoidance of doubt, proceeds from a disposal effected in accordance with this Clause 8.3 shall be applied in accordance with Clause 12.3 of this Deed.

9. SUBORDINATION ON INSOLVENCY

9.1 Application

This Clause 9 applies only where an Insolvency Event has occurred in respect of an Obligor during the Subordination Period.

9.2 Insolvency Event

If an Insolvency Event occurs in respect of an Obligor then:

9.2.1 the Subordinated Liabilities shall immediately be postponed and subordinated in right of payment to the Senior Liabilities;

9.2.2 any payment or distribution of any kind or character and all and any rights in respect thereof, whether in cash, securities or other property, which is payable or deliverable upon or with respect to all or part of the Subordinated Liabilities by a liquidator, administrator, administrative receiver, receiver, manager or supervisor (or the equivalent) of an Obligor or its estate made to or paid to, or received by the Subordinated Creditor or to which the Subordinated Creditor is entitled shall be held in trust by the Subordinated Creditor for the Senior Finance Parties and shall forthwith be paid, transferred or assigned to the Agent for application in the order set out in Clause 12 (Application of proceeds); and

9.2.3 if the trust referred to in Clause 9.2.2 fails or cannot be given effect, the Subordinated Creditor (so as also to bind any agent or trustee on its behalf) receiving any such payment or distribution will pay an amount equal to such payment or distribution actually received by it to the Agent for application in the order set out in Clause 12 (Application of proceeds).

9.3 Authorisations and undertakings of the Subordinated Creditor

9.3.1 The Subordinated Creditor irrevocably authorises and empowers the Agent on behalf of the Subordinated Creditor to:

9.3.1.1 claim, enforce and prove for any of the Subordinated Liabilities;

9.3.1.2 exercise all powers of convening meetings, voting and representation in respect of the Subordinated Liabilities;

9.3.1.3 file claims and proofs, give receipts and take any proceedings as the Agent considers reasonably necessary to recover the Subordinated Liabilities;

9.3.1.4 receive all distributions with respect to the Subordinated Liabilities for application against the Senior Liabilities in the manner provided for in this Deed; and

9.3.1.5 do all such other things as the Agent may deem necessary or advisable for the enforcement of this Deed.

9.3.2 The Subordinated Creditor will execute and deliver to the Agent such assignments or other instruments as may be requested by the Agent in order to enable it to enforce any and all claims upon or with respect to all or any part of the Subordinated Liabilities, and to collect and receive any and all payments or distributions which may be payable or deliverable at any time upon or with respect to all or any part of the Subordinated Liabilities.

9.3.3 If and to the extent the Agent is not entitled to take any action pursuant to Clause 9.3.1 or does not wish to do so, the Subordinated Creditor:

9.3.3.1 may not do so unless it has obtained the prior written consent of the Agent; and

9.3.3.2 shall do so if so requested by the Agent.

9.4 Insolvency representative

The liquidator or other insolvency representative or trustee of an Obligor or its estate is irrevocably authorised by the Subordinated Creditor to apply any assets or monies distributable by them in accordance with the terms of this Deed and the Subordinated Creditor shall give all notices and do all things as the Agent may request to give effect to this Clause 9.4.

9.5 Further assurance

The Subordinated Creditor shall, at its own expense, take whatever action the Agent may reasonably require to give effect to this Clause.

10. REPRESENTATIONS

10.1 Representations

The Subordinated Creditor makes the representations set out in this Clause to each Senior Finance Party.

10.2 Status

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

10.3 Binding obligations

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

10.4 Non-conflict with other obligations

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

10.4.1 any law or regulation applicable to it;

10.4.2 its constitutional documents; or

10.4.3 any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

10.5 Power and authority

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

10.6 Validity and admissibility in evidence

All Authorisations required or desirable:

10.6.1 to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed; and

10.6.2 to make this Deed admissible in evidence in its jurisdiction of incorporation,

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

10.7 Subordinated Liabilities

10.7.1 It is the sole legal and beneficial owner of the Subordinated Liabilities and of the benefits of the Subordinated Documents free from any Security (other than the security conferred by the Subordinated Security Document), option or subordination in favour of any person other than pursuant to this Deed; and

10.7.2 the Subordinated Liabilities are not subject to any set-off, counterclaim or other defence.

10.8 Times for making representations

The representations set out in this Deed are made on the date of this Deed and are deemed to be repeated by the Subordinated Creditor on each date during the Subordination Period by reference to the facts and circumstances then existing.

11. PROTECTION OF RANKING AND SUBORDINATION

11.1 Continuing subordination

The subordination provisions in this Deed constitute a continuing subordination and will benefit the ultimate balance of the Senior Liabilities, regardless of any intermediate payment or discharge of the Senior Liabilities in whole or in part or the existence at any time of a credit balance on any account held with or for the benefit of the Senior Finance Parties.

11.2 Waiver of defences

The subordination and ranking arrangements in this Deed and the obligations of the Subordinated Creditor under this Deed will not be affected by any act, omission, matter or thing which, but for this provision, would reduce, release or prejudice the subordination or ranking or any of those obligations (without limitation and whether or not known to the Subordinated Creditor or any Senior Finance Party) including:

- 11.2.1 any time, waiver or consent granted to, or composition with, an Obligor or other person;
- 11.2.2 the release of an Obligor or any other person under the terms of any composition or arrangement;
- 11.2.3 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, an 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;
- 11.2.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- 11.2.5 any amendment (however fundamental) or replacement of a Senior Finance Document or any other document or security;
- 11.2.6 any non-presentation or non-observance of any formality or other requirement in respect of any instruments or any failure to realise the full value of any security;
- 11.2.7 any unenforceability, illegality or invalidity of any obligation of any person under any Senior Finance Document or any other document or security; or
- 11.2.8 any insolvency or similar proceedings.

11.3 Immediate recourse

Each of the Subordinated Creditor and the Obligors waives any right they may have of first requiring any Senior Finance Party (or any trustee or other agent on its behalf) to

proceed against or enforce any other rights or security or claim payment from any person before claiming the benefit of this Deed.

11.4 Appropriations

Each Senior Finance Party (or any trustee or agent on its behalf) may at any time during the Subordination Period without affecting the liability of the Subordinated Creditor under this Deed:

- 11.4.1 refrain from applying or enforcing any other moneys, security or rights held or received by that Senior Finance Party (or any trustee or agent on its behalf) in respect of the Senior Liabilities, or apply and enforce the same in such manner and order as it sees fit (whether against the Senior Liabilities or otherwise); and
- 11.4.2 hold in an interest-bearing suspense account any moneys received from the Subordinated Creditor or on account of the liability of the Subordinated Creditor under this Deed provided that if at any time the amount of monies standing to the credit of the account are sufficient to satisfy the Senior Liabilities in full, the Agent shall apply such amount in the order set out in Clause 12 (Application of proceeds).

11.5 Non-competition

- 11.5.1 Unless the Subordination Period has expired or the Agent otherwise directs, the Subordinated Creditor will not exercise any rights which it may have by reason of performance by it of its obligations under this Deed:

- 11.5.1.1 to be indemnified by an Obligor;
- 11.5.1.2 to claim any contribution from or on account of an Obligor or other person; and/or
- 11.5.1.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Senior Finance Parties under the Senior Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Senior Finance Documents by any Senior Finance Party.

12. APPLICATION OF PROCEEDS

- 12.1 Any monies realised from the Senior Finance Documents and/or the Subordinated Documents (excluding, for the avoidance of doubt, the Tradeco Account Charge) together with all other monies received from an Obligor by the Agent or the Subordinated Creditor in or towards discharge of the Senior Liabilities and/or the Subordinated Liabilities shall be applied, subject to the claims of any creditors ranking in priority to or *pari passu* with the claims of the Senior Finance Parties, in the following order:

- 12.1.1 in or towards payment of all costs, charges and expenses of or incidental to the enforcement of the Senior Security Documents;

- 12.1.2 in or towards satisfaction of the Senior Liabilities in such order as the Agent may from time to time require;
 - 12.1.3 in or towards payment of all costs, charges and expenses of or incidental to the enforcement of the Subordinated Security Document;
 - 12.1.4 in payment to the Subordinated Creditor for application towards discharge of the Subordinated Liabilities; and
 - 12.1.5 any surplus shall be paid to the Obligors or any other person entitled thereto.
- 12.2 Any monies realised from the Tradeco Account Charge shall be applied, subject to the claims of any creditors ranking in priority to or *pari passu* with the Tradeco Account Liabilities, in the following order:
- 12.2.1 in or towards payment of all costs, charges and expenses of or incidental to the enforcement of the Tradeco Account Charge;
 - 12.2.2 in payment to the Subordinated Creditor for application towards satisfaction of the Tradeco Account Liabilities;
 - 12.2.3 in or towards payment of all costs, charges and expenses of or incidental to the enforcement of the Senior Security Documents;
 - 12.2.4 in or towards satisfaction of the Senior Liabilities in such order as the Agent may from time to time require; and
 - 12.2.5 any surplus shall be paid to the Obligors or any other person entitled thereto.
- 12.3 Each of the Obligors and the Subordinated Creditor agree that nothing contained in this Deed shall limit the right of the Agent, if and for so long as the Agent (in its discretion) shall consider it appropriate, to place all or any monies arising from the enforcement of the Senior Security Documents into a suspense account, without any obligation to apply all or any part of the same in or towards the discharge of any of the Senior Liabilities.
- 12.4 The Agent may apply any monies received by it to any liability in respect of the Senior Liabilities in such order or manner as it may determine.
- 12.5 **PRESERVATION OF SUBORDINATED LIABILITIES**
- Notwithstanding any of the provisions of this Deed postponing, subordinating or delaying the payment of all or any of the Subordinated Liabilities, the Subordinated Liabilities shall as between the Obligors and the Subordinated Creditor remain owing or due and payable in accordance with the terms of the Subordinated Documents.

13. TREATMENT OF DISTRIBUTION

13.1 Realisation

If any Senior Finance Party receives any distribution otherwise than in cash in respect of the Senior Liabilities from the Obligors or from any other source, the Senior Liabilities will not be deemed reduced by the distribution until and except to the extent that the realisation proceeds are applied towards the Senior Liabilities.

13.2 Transfer of distributions

Each of the Subordinated Creditor and the Obligors must do everything which the Agent may require as being necessary or desirable to transfer to the Agent all payments and distributions which must be made to or held in trust for the Senior Finance Parties, including, without limitation, endorsements and execution of formal transfers.

13.3 Currencies

13.3.1 All moneys received or held by the Agent under this Deed at any time on or after the enforcement of this Deed in a currency other than a currency in which the Senior Liabilities are denominated may be sold for any one or more of the currencies in which the Senior Liabilities is denominated and which the Agent considers necessary or desirable.

13.3.2 Each Obligor indemnifies the Agent against any loss or liability incurred in relation to any sale. The Agent will have no liability to the Obligors or the Subordinated Creditor in respect of any loss resulting from any fluctuation in exchange rates after any such sale.

14. COSTS AND EXPENSES

Subject to the provisions of Clause 12 (Application of proceeds), each Obligor shall promptly on demand pay the Agent and the Subordinated Creditor the amount of all costs and expenses (including, without limitation, legal fees) incurred by any of them in connection with the negotiation, preparation, printing, execution, syndication and perfection of this Deed or the enforcement of, or the preservation of any rights under this Deed.

15. FURTHER ASSURANCES

The Subordinated Creditor and the Obligors shall do all acts and things (including, without limitation, the execution of powers of attorney, assignment or other instruments) as are required to give effect to the purposes of this Deed.

16. POWER OF ATTORNEY

Each of the Subordinated Creditor and the Obligors, by way of security for its obligations under this Deed, irrevocably appoints the Agent as its attorney to take any action which it is obliged to take, but has failed to take in a reasonable time period, under this Deed.

The Agent may delegate this power. Each of the Subordinated Creditor and the Obligors ratifies and confirms whatever an attorney does or purports to do under its appointment under this Clause.

17. ASSIGNMENT AND TRANSFER

17.1 The Obligors and the Subordinated Creditor

17.1.1 The Obligors shall not assign or transfer any of their rights or obligations under this Deed without the prior consent of the Agent.

17.1.2 The Subordinated Creditor shall not assign or transfer any of its rights or obligations under this Deed, save to an entity to whom it also assigns or transfers all of its rights and obligations under and in accordance with the terms of the Management Agreement, the Non-Disturbance Agreement, the Subordinated Loan Agreement and the Subordinated Security Document, provided that prior to such assignment or transfer taking effect, such entity delivers a duly executed Subordinated Creditor Accession Undertaking to the Agent, whereupon Accor UK Business and Leisure Hotels Limited shall be released from all its obligations as the Subordinated Creditor under this Deed.

17.2 The Senior Finance Parties

17.2.1 Any Senior Finance Party may assign or otherwise dispose of all or any of its rights under this Deed in accordance with the Senior Finance Documents to which it is a party.

17.2.2 References to the Agent in this Deed include any successor Agent appointed under the Senior Facility Agreement.

18. THIRD PARTY RIGHTS

Except insofar as this Deed expressly provides that a third party may in his own right enforce a term of this Deed, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to rely upon or enforce any term of this Deed but this does not affect any right or remedy of a third party which exists or is available apart from under that Act.

19. MISCELLANEOUS

19.1 Perpetuity period

The perpetuity period for the trusts in this Deed is 80 years.

19.2 Trust

Each of the Subordinated Creditor and Obligors acknowledges that the Agent holds all undertakings, rights, title, interests, moneys and other assets contained in, constituted by

or received or recovered by the Agent under or in connection with this Deed on trust for the Senior Finance Parties.

19.3 Set-off

A Senior Finance Party may (but shall not be obliged to) set-off any matured obligation owed to it by the Subordinated Creditor under this Deed (to the extent beneficially owned by that Senior Finance Party) against any obligation (whether or not matured) owed by that Senior Finance Party to the Subordinated Creditor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Senior Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

19.4 Default interest

19.4.1 If the Subordinated Creditor fails to pay any amount payable by it under this Deed to a Senior Finance Party, it must, on demand by the Agent, pay interest on the overdue amount from the due date up to the date of actual payment, as well after as before judgment.

19.4.2 Interest on an overdue amount is payable at a rate equal to the aggregate of:

19.4.2.1 two per cent.;

19.4.2.2 the rate quoted by the Agent to leading banks in the London interbank market on the relevant rate fixing day for the offering of deposits in the currency of the overdue amount during the period of non-payment; and

19.4.2.3 the cost of compliance with the requirements of the Bank of England, the Financial Conduct Authority or the European Central Bank (or, in any case, any successor authority) in relation to the overdue amount, as certified by the Agent.

19.4.3 For the purpose of determining the relevant rate under Clause 19.4.2.2, the Agent may:

19.4.3.1 select successive periods of any duration of up to three months; and

19.4.3.2 determine the appropriate rate fixing day for that period.

19.4.4 Interest (if unpaid) on an overdue amount will be compounded at the end of each period selected by the Agent under Clause 19.4.3 but will remain immediately due and payable.

19.4.5 Any interest accruing under this Clause 19.4 accrues from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360

or 365 days or otherwise, depending on what the Agent determines is market practice.

19.5 Certificates and determinations

Any certification or determination by a Senior Finance Party of a rate or amount under this Deed will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

19.6 Remedies and waivers

No failure to exercise, nor any delay in exercising, or other relaxation or indulgence on the part of any Senior Finance Party, any right, power or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right, power or remedy prevent any further or other exercise of any other right, power or remedy. The rights, powers and remedies provided in this Deed are cumulative and are not, nor are they to be construed as, exclusive of any rights, powers or remedies provided by law or otherwise and may be exercised from time to time and as often as the Agent deems expedient.

19.7 Severance

19.7.1 If any provision of this Deed shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this Deed which shall remain in full force and effect.

19.7.2 If any provision of this Deed is so found to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, the provision in question shall apply with such deletion(s) as may be necessary to make it valid.

19.8 Amendment

19.8.1 No modification or variation of this Deed shall be valid unless it is in writing and signed by or on behalf of each of the parties to this Deed. For the avoidance of doubt, no modification or variation of this Deed shall be valid if made by e-mail.

19.8.2 Unless expressly so agreed, no modification or variation of this Deed shall constitute or be construed as a general waiver of any provisions of this Deed, nor shall it affect any rights, obligations or liabilities under this Deed which have already accrued up to the date of such modification or waiver, and the rights and obligations of the parties under this Deed shall remain in full force and effect, except and only to the extent that they are so modified or varied.

20. COUNTERPARTS

This Deed may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

21. NOTICES

21.1 Communications in writing

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

21.2 Addresses

21.2.1 The contact details of the Agent for all notices in connection with this Deed are the same as those set out in the Senior Facility Agreement for the Agent.

21.2.2 The contact details of each Obligor for all notices in connection with this Deed are: c/o Moorfield Group Limited, 65 Curzon Street, London, W1J 8PE.

21.2.3 The contact details of the Subordinated Creditor for all notices in connection with this Deed are as provided in the Deed of Variation.

21.2.4 Any party to this Deed may change its contact details by giving five Business Days' notice to the Agent or (in the case of the Agent) to the other parties.

21.2.5 Where the Agent nominates a particular department or officer to receive a notice, a notice will not be effective if it fails to specify that department or officer.

21.3 Delivery

21.3.1 Any communication or document made or delivered by one person to another under or in connection with the Senior Finance Documents will only be deemed effective:

21.3.1.1 if by way of fax, at the time of transmission; or

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

and, if a particular department or officer is specified as part of its address in the Senior Facility Agreement, if addressed to that department or officer.

21.3.2 Any communication or document to be made or delivered to the Agent will be effective only when actually received by the Agent and then only if it is expressly marked for the attention of the department or officer specified in the

contact details for the Agent in the Senior Facility Agreement (or any substitute department or officer as the Agent shall specify for this purpose).

22. APPLICABLE LAW AND JURISDICTION

22.1 Applicable law

The validity, construction and performance of this Deed (and any claim, dispute or matter arising under or in connection with it or its enforceability and any non-contractual obligations arising out of or in connection with it) shall be governed by and construed in accordance with the law of England.

22.2 Jurisdiction

The parties to this Deed irrevocably agree for the exclusive benefit of the Agent that the English courts shall have exclusive jurisdiction over any claim, dispute or matter arising under or in connection with this Deed or its enforceability or the legal relationships established by this Deed or any non-contractual obligation arising out of or in connection with this Deed and that accordingly any proceedings in respect of any such claim, dispute or matter may be brought in such courts. Nothing in this Clause shall limit the right of the Agent to take proceedings against the Subordinated Creditor or the Obligors in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction or jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction or jurisdictions.

THIS DEED has been executed by or on behalf of the parties on the date at the top of page 1.

SCHEDULE

Form of Subordinated Creditor Accession Undertaking

To: **BANK OF SCOTLAND PLC** as Agent under the Subordination Deed (the "**Agent**")

Cc: [●] as Owner under the Subordination Deed (the "**Owner**")

and

[●] as Landlord under the Subordination Deed (the "**Landlord**")

From: [Acceding Subordinated Creditor] (the "**Acceding Subordinated Creditor**")

THIS UNDERTAKING is made on [date] by the Acceding Subordinated Creditor in relation to the subordination deed (the "**Subordination Deed**") dated [] originally between, the Agent, the Owner, the Landlord and Accor UK Business And Leisure Hotels Limited as subordinated creditor. Terms defined in the Subordination Deed shall, unless otherwise defined in this Undertaking, bear the same meanings when used in this Undertaking.

In consideration of the Acceding Subordinated Creditor being accepted as a Subordinated Creditor for the purposes of the Subordination Deed, the Acceding Subordinated Creditor confirms that, as from [date], it intends to be party to the Subordination Deed as a Subordinated Creditor and undertakes to perform all the obligations expressed in the Subordination Deed to be assumed by a Subordinated Creditor and agrees that it shall be bound by all the provisions of the Subordination Deed, as if it had been an original party to the Subordination Deed.

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

THIS UNDERTAKING has been entered into on the date stated above and is executed as a deed by the Acceding Subordinated Creditor and is delivered on the date stated above.

Acceding Subordinated Creditor

EXECUTED as a DEED)
[INSERT FULL NAME OF ACCEDING)
CREDITOR])

By:

Address:

Fax:

Accepted by the Agent

for and on behalf of
BANK OF SCOTLAND PLC

Date:

SIGNATURES TO THE SUBORDINATION DEED

OWNER

EXECUTED as a deed but not delivered
until the date of this Deed by
MREF TRADECO LIMITED acting
by its director in the presence of:

) Director's
) Signature: *Steven Hall*
)
) Print Name: **STEVEN HALL**

Witness's

Signature: *Helen Boyle*

Name: *Helen Boyle*

Address: *Herbert Smith Freehills LLP*

Exchange House, Pinrose Ct

London, EC2A 2EG

Occupation: *trained solicitor*

LANDLORD

EXECUTED as a deed but not delivered
until the date of this Deed by
MREF SHEFFIELD LIMITED acting
by its director in the presence of:

) Director's
) Signature: *Steven Hall*
)
) Print Name: **STEVEN HALL**

Witness's

Signature: *Helen Boyle*

Name: *Helen Boyle*

Address: *Herbert Smith Freehills LLP*

Exchange House, Pinrose Ct

London EC2A 2EG

Occupation: *trained solicitor*

SUBORDINATED CREDITOR

EXECUTED as a deed but not delivered
until the date of this Deed by
**ACCOR UK BUSINESS AND LEISURE
HOTELS LIMITED** acting by its director
in the presence of:

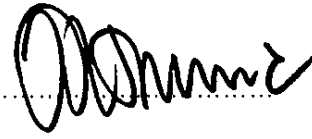
) Director's

) Signature.....

)

)

) Print Name:.....



JONATHAN STOKES

Witness's

Signature:.....

Name:.....

Address:.....

LONDON

EC2A 4ES

Occupation.....

TRAINING SOUTHERN

AGENT

EXECUTED as a deed but not delivered
until the date of this Deed by
BANK OF SCOTLAND PLC
acting by an authorised signatory
in the presence of:

)

) Signature.....

)

)

) Print Name:.....



JERRY PERRETT

Witness's

Signature:.....

Name:.....

Address:.....

LONDON

EC4A 4AX

Occupation.....

BANKER