



**Registration of a Charge**

Company name: **BLYTHSWOOD SQUARE HOTEL GLASGOW LIMITED**

Company number: **SC294938**



X7B0WGQX

Received for Electronic Filing: **26/07/2018**

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**Details of Charge**

Date of creation: **25/07/2018**

Charge code: **SC29 4938 0008**

Persons entitled: **CREDIT AGRICOLE CORPORATE & INVESTMENT BANK (AS SECURITY AGENT))**

Brief description: **THE COMPANY CHARGES BY WAY OF A FIRST FIXED CHARGE ALL ITS RIGHTS, TITLE AND INTEREST FROM TIME TO TIME IN AND TO ITS INTELLECTUAL PROPERTY.**

**Contains fixed charge(s).**

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

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

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

Certified by: **SARAH WHITLEY**



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

Company number: 294938

Charge code: SC29 4938 0008

The Registrar of Companies for Scotland hereby certifies that a charge dated 25th July 2018 and created by BLYTHSWOOD SQUARE HOTEL GLASGOW LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 26th July 2018 .

Given at Companies House, Edinburgh on 26th July 2018

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

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# DEBENTURE

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DATED 25 July 2018

between

BLYTHSWOOD SQUARE HOTEL GLASGOW LIMITED  
GEORGE HOTEL INVESTMENTS LIMITED  
LAGONDA RUSSELL PROPCO LIMITED  
LAGONDA PALACE PROPCO LIMITED  
LAGONDA YORK PROPCO LIMITED  
LAGONDA LEEDS PROPCO LIMITED  
THE ST DAVID'S HOTEL CARDIFF LIMITED  
WOTTON HOUSE PROPERTIES LIMITED  
ROXBURGHE INVESTMENTS PROPCO LIMITED  
as Chargors

and

CREDIT AGRICOLE CORPORATE & INVESTMENT BANK  
as Security Agent

**GIDE**  
GIDE LOYRETTE NOUËL

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THIS DEED is dated 25 July 2018 (the "Deed") and is executed and delivered

**BETWEEN:**

- (1) **BLYTHSWOOD SQUARE HOTEL GLASGOW LIMITED**, a private company limited by shares, incorporated in Scotland under company number SC294938, as a chargor ("Chargor 1");
- (2) **LAGONDA RUSSELL PROPCO LIMITED**, a private company limited by shares, incorporated in England and Wales under company number 04216881, as a chargor ("Chargor 2");
- (3) **LAGONDA PALACE PROPCO LIMITED**, a private company limited by shares, incorporated in England and Wales under company number 04216858, as a chargor ("Chargor 3");
- (4) **LAGONDA YORK PROPCO LIMITED**, a private company limited by shares, incorporated in England and Wales under company number 04216868, as a chargor ("Chargor 4");
- (5) **LAGONDA LEEDS PROPCO LIMITED**, a private company limited by shares, incorporated in England and Wales under company number 04216823, as a chargor ("Chargor 5");
- (6) **GEORGE HOTEL INVESTMENTS LIMITED**, a private company limited by shares, incorporated in England and Wales under company number 05451630, as a chargor ("Chargor 6");
- (7) **THE ST DAVID'S HOTEL CARDIFF LIMITED**, a private company limited by shares, incorporated in England and Wales under company number 03299012, as a chargor ("Chargor 7");
- (8) **WOTTON HOUSE PROPERTIES LIMITED**, a private company limited by shares, incorporated in England and Wales under company number 05965427, as a chargor ("Chargor 8");
- (9) **ROXBURGHE INVESTMENTS PROPCO LIMITED**, a private company limited by shares, incorporated in England and Wales under company number 11395373, as a chargor ("Chargor 9" and together with Chargor 1, Chargor 2, Chargor 3, Chargor 4, Chargor 5, Chargor 6, Chargor 7 and Chargor 8, the "Chargors"); and
- (10) **CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK**, a *société anonyme* organised under French law, having its registered office at 12, Place des Etats-Unis, CS 70052-92547 Montrouge Cedex, France and registered under SIRENE number 304 187 701 with the *Registre du commerce et des sociétés* of Nanterre, as security trustee for the Secured Parties (the "Security Agent").

**BACKGROUND:**

- (A) Each Chargor enters into this Deed in connection with the Facility Agreement (as defined below).
- (B) It is intended that this document takes 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:

"Act" means the Law of Property Act 1925.

**"Additional Chargor"** means a person that accedes to this Deed by executing a Deed of Accession.

**"Charged Account"** means, in relation to a Chargor, each PropCo Account and each other account held by it, in each case, in England & Wales.

**"Declared Default"** means the occurrence of a payment Event of Default which is continuing pursuant to paragraph (A) (*Payment Default*) of Clause 25.1.1 (*General Events of Default*) of the Facility Agreement or a notification of Acceleration made in accordance with Clause 25.2 (*Consequences of the occurrence of an event of default*) of the Facility Agreement.

**"Deed of Accession"** means a deed of accession substantially in the form of Schedule 6 (*Form of Deed of Accession*).

**"Delegate"** means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

**"Facility Agreement"** means the £400,000,000 facility agreement dated 25 July 2018 and entered into between (1) Foncière des Murs as Borrower, (2) BNP Paribas, Crédit Agricole Corporate and Investment Bank, Natixis and Société Générale as Bookrunners, Mandated Lead Arrangers, Underwriters and Original Lenders and (3) Crédit Agricole Corporate and Investment Bank as Agent and Security Agent.

**"Fixed Scottish Security"** means any fixed security, standard security, pledge or assignation governed by Scots law granted by a Chargor in favour of the Security Agent as security for the Secured Liabilities.

**"Insurance Policy"** means any contract of insurance governed by the laws of England & Wales or Scotland and required under Clause 24 (*Insurances*) of the Facility Agreement.

**"Intellectual Property"** means any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered, the benefit of all applications and rights to use such assets and all Related Rights.

**"Intragroup Debt"** means any loan advanced by a Chargor to any member of the Group.

**"Mortgaged Property"** means all freehold or leasehold property included in the definition of Security Asset but excluding any property located in Scotland.

**"Party"** means a party to this Deed.

**"Receiver"** means a receiver or receiver and manager or administrative receiver, in each case appointed under this Deed.

**"Related Rights"** means, in relation to any asset (or class of assets) or right:

- (a) the proceeds of sale (and/or any other form of realisation) of any part of that asset (or class of assets) or right (or any part thereof or interest therein);
- (b) all rights under any licence, agreement for sale, lease or other disposal in respect of that asset;
- (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities and/or covenants for title in respect of that asset; and/or
- (d) any moneys and proceeds paid or payable in respect of that asset.

"**Scottish Assets**" means all the property, assets and undertaking of each Chargor which are located in Scotland or otherwise governed by Scots law.

"**Scottish Floating Charge**" means the floating charge governed by Scots law granted by Chargor 1 in favour of the Security Agent as security for the Secured Liabilities.

"**Secured Party**" means a Finance Party, a Receiver or any Delegate.

"**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.

"**Security Asset**" means any asset of a Chargor which is, or is expressed to be, subject to any Security created by this Deed.

"**Secured Liabilities**" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Borrower and each Chargor to any Secured Party under each Finance Document, except for any obligation which, if it were so included, would result in this Deed contravening section 678 or 679 of the Companies Act 2006.

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

## 1.2 Construction

- (a) Capitalised terms defined in the Facility Agreement have the same meaning in this Deed unless expressly defined in this Deed.
- (b) The provisions of Clause 1.2 (*Construction*) of the Facility Agreement apply to this Deed as though they were set out in full in this Deed except that references to the Facility Agreement will be construed as references to this Deed.
- (c) Unless a contrary indication appears, a reference in this Deed to:
  - (i) any share, stock, debenture, bond or other security or investment includes:
    - (A) any dividend, interest or other distribution paid or payable;
    - (B) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,in each case in respect of that share, stock, debenture, bond or other security or investment; and
  - (ii) the term **this Security** means any Security created by this Deed.
- (d) The "date of this Deed" means, in relation to an Additional Chargor, the date of the Deed of Accession by which it becomes a Party.
- (e) Any covenant of any Chargor under this Deed (other than a payment obligation which has been discharged) remains in force during the Security Period.
- (f) The terms of the other Finance Documents and of any other agreement or instrument between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition, or any agreement for the

disposition, of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

- (g) If the Security Agent (acting reasonably) considers that an amount paid to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or any other similar event, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (h) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.

### **1.3 Joint and several**

The liabilities and obligations of each Chargor under this Deed are joint and several. Each Chargor agrees to be bound by this Deed notwithstanding that any other Chargor which was intended to sign or be bound by this Deed did not sign or is not bound by this Deed.

### **1.4 Perpetuity period**

If the rule against perpetuities applies to any trust created by this Deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

### **1.5 Third party rights**

- (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (c) Any Receiver may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to paragraph (b) above and the provisions of the Contracts (Rights of Third Parties) Act 1999.

## **2. PAYMENT OF SECURED LIABILITIES**

### **2.1 Covenant to pay**

Each Chargor (as primary obligor and not merely as surety) covenants with and undertakes to the Security Agent that it shall pay or discharge the Secured Liabilities at the times and in the manner provided in the relevant Finance Documents.

### **2.2 Demands**

The making of one demand shall not preclude the Security Agent from making any further demands.

### **2.3 Interest on demands**

- (a) If any Chargor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment by that Chargor (both before and after judgement), calculated at the rate set out in and in accordance with (but without duplication with any interest payable under) the provisions of Clause 8.3 (*Default interest*) of the Facility Agreement.

- (b) Any interest accruing under paragraph (a) above shall be immediately payable by the relevant Chargor on demand by the Security Agent.

### **3. NATURE OF SECURITY**

#### **3.1 General**

- (a) All the security created under this Deed:
  - (i) is created in favour of the Security Agent;
  - (ii) is created over present and future assets of each Chargor;
  - (iii) is security for the payment and discharge of all the Secured Liabilities; and
  - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 and, in relation to Scottish Assets, with absolute warrandice.
- (b)
  - (i) If any Chargor is prohibited from creating Security over any of its assets (including, for the avoidance of doubt, its rights under any document) or any Security by way of assignment without obtaining the consent of a third party:
    - (A) that Chargor must notify the Security Agent immediately;
    - (B) any charge or assignment created by this deed shall not take effect as regards the relevant asset until such consent is obtained or the prohibition removed, at which time that asset shall immediately become subject to such charge or assignment; and
    - (C) if applicable, this Security will constitute security over all proceeds and other amounts which that Chargor may receive, or has received, under the relevant document but will exclude the document itself; and
    - (D) unless the Security Agent otherwise requires, that Chargor must use its reasonable endeavours to obtain the required consent or the removal of the prohibition on the asset being secured under this Deed.
- (c) The Security Agent declares that it holds the benefit of this Deed, this Security and the Security created pursuant to the Security Documents which are governed by Scots law on trust for the Secured Parties.

### **4. CREATION OF SECURITY**

#### **4.1 Land**

- (a) Each Chargor charges:
  - (i) by way of a first legal mortgage all estates or interests in any freehold or leasehold property in England and Wales now owned by it; this includes the real property (if any) specified in Schedule 1 (*Real Property*); and
  - (ii) (to the extent that they are not either the subject of a mortgage under paragraph (i) above or freehold or leasehold property in Scotland) by way of a first fixed charge all

estates or interests in any freehold or leasehold property in England and Wales now or subsequently owned by it.

- (b) A reference in this Clause 4.1 (*Creation of Security*) to a mortgage or charge of any freehold or leasehold property includes:
- (i) all buildings, fixtures (including trade fixtures), fittings and fixed plant and machinery from time to time on or forming part of that property (in each case, other than those belonging to any landlord, tenant or occupant other than the relevant Chargor);
  - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the relevant Chargor in respect of that property to the extent held by that Chargor or any moneys paid or payable in respect of those covenants; and
  - (iii) all Related Rights.

#### **4.2 Plant and machinery**

To the extent that they are not the subject of a mortgage or a first fixed charge under Clause 4.1 (*Creation of Security*), each Chargor charges by way of a first fixed charge all plant and machinery owned by it and its interest in any plant or machinery in its possession and all Related Rights.

#### **4.3 Credit balances**

- (a) Each Chargor charges by way of a first fixed charge all of its rights in respect of any Charged Account, from time to time, any amount (including interest) standing to the credit of any Charged Account and the debt represented by it.
- (b) Each Chargor charges by way of a first fixed charge all of its rights in respect of any account it has in England and Wales with any person other than the accounts referred to in paragraph (a) above, any amount (including interest) standing to the credit of any such account and the debt represented by it.

#### **4.4 Book debts etc.**

Each Chargor charges by way of a first fixed charge:

- (a) all of its book and other debts whether actual or contingent and whether originally owing to it or purchased or acquired by it;
- (b) all other moneys due and owing to it whether actual or contingent and whether originally owing to it or purchased or acquired by it; and
- (c) the benefit of all rights of any nature in relation to any item under paragraphs (a) and (b) above.

#### **4.5 Intellectual Property**

Each Chargor charges by way of a first fixed charge all its rights, title and interest from time to time in and to its Intellectual Property.

#### **4.6 Insurances**

- (a) Each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights under any contract or policy of insurance taken out by it or on its behalf or in which it has an interest including, for the avoidance of doubt, any insurance proceeds (but

excluding, in each case, contracts and policies of insurance which relate to liabilities to third parties) (together, the "Insurance Rights").

- (b) To the extent that they have not been effectively assigned under paragraph (a) above, each Chargor charges by way of a first fixed charge all of its Insurance Rights.

#### **4.7 Intragroup Debt**

- (a) Each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights under all of its Intragroup Debt (together, the "Intragroup Debt Rights").
- (b) To the extent that they have not been effectively assigned under paragraph (a) above, each Chargor charges by way of a first fixed charge all of its Intragroup Debt Rights.

#### **4.8 Other contracts**

- (a) Each Chargor:
  - (i) assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights:
    - (A) under each Lease Agreement;
    - (B) in respect of all Rents (except the deposit and cash collaterals in respect of any rent deposits paid by the tenants); and
    - (C) under any guarantee of Rents, including the IHG Guarantee, contained in or relating to any Lease Agreement; and
  - (ii) charges by way of a first fixed charge all of its rights under any other document, agreement or instrument to which it is a party except to the extent that it is subject to any fixed security created under any other term of this Clause 4 (*Creation of Security*).
- (b) To the extent that they have not been effectively assigned under paragraph (a)(i) above, each Chargor charges by way of a first fixed charge all of its rights listed under paragraph (a)(i) above.

#### **4.9 Miscellaneous**

Each Chargor charges by way of first fixed charge:

- (a) its goodwill;
- (b) the benefit of any Authorisation (statutory or otherwise) held in connection with its use of any Security Asset;
- (c) the right to recover and receive compensation which may be payable to it in respect of any Authorisation referred to in paragraph (b) above;
- (d) its uncalled capital; and
- (e) the benefit of all rights in relation to any item under paragraphs (a) to (d) above.

#### **4.10 Floating charge**

- (a) Each Chargor charges by way of a first floating charge:

- (i) all its assets not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, fixed charge or assignment under this Clause 4 (*Creation of Security*); and
  - (ii) all of its Scottish Assets, whether or not effectively mortgaged, charged or assigned under this Deed.
- (b) Except as provided below, the Security Agent may by giving written notice to any Chargor convert one or more floating charges created by this Clause 4.10 (*Floating charge*) into a fixed charge as regards any of any Chargor's assets specified in that notice (but in relation to any Scottish Assets, only to the extent permitted by law) if:
- (i) a General Event of Default is continuing; or
  - (ii) the Security Agent (acting reasonably) considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy,
- and any such conversion shall take effect immediately upon giving such written notice.
- (c) The floating charge created by this Clause 4.10 (*Floating charge*) may not be converted into a fixed charge solely by reason of:
- (i) the obtaining of a moratorium; or
  - (ii) anything done with a view to obtaining a moratorium,
- under section 1A of the Insolvency Act 1986.
- (d) The floating charge created by this Clause 4.10 (*Floating charge*) will (in addition to the circumstances when this may occur under the general law) automatically (without notice) convert into a fixed charge over all of the relevant Chargor's assets (but in relation to any Scottish Assets, only to the extent permitted by law) if:
- (i) an administrator is appointed or any step intended to result in such appointment is taken;
  - (ii) any Chargor creates or attempts to create any Security over all or any of the Security Assets save as expressly permitted under the Facility Agreement;
  - (iii) any person levies or attempts to levy any distress, execution or other process against any of the Security Assets; or
  - (iv) a resolution is passed or an order is made for the winding up, dissolution, administration or other reorganisation of any Chargor.
- (e) The floating charge created by this Clause 4.10 (*Floating charge*) is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- (f) Paragraph 14 of Schedule B1 to the Insolvency Act shall apply to this Deed and the Security Agent may appoint an administrator to each Chargor pursuant to that paragraph.
- (g) The floating charge created by paragraph (a) above shall be deferred in point of priority to the Scottish Floating Charge.

#### **4.11 Fixed Security**

Clauses 4.1 (*Land*) to 4.9 (*Miscellaneous*) (inclusive) do not extend to assets which are validly secured in terms of a Fixed Scottish Security and shall not create mortgages, fixed charges or assignments by way of security over any asset validly secured pursuant to such Fixed Scottish Security.

### **5. RESTRICTIONS ON DEALINGS**

#### **5.1 Security**

Except as expressly allowed under the Facility Agreement or this Deed, no Chargor may create or attempt to create or permit to subsist or arise any Security on, over or affecting any Security Asset or any part of them.

#### **5.2 Disposals**

Except as expressly allowed under the Facility Agreement or this Deed, no Chargor may enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to dispose of all or any part of any Security Asset.

### **6. LAND**

#### **6.1 Notices to tenants**

Each Chargor must:

- (a) serve a notice of assignment, substantially in the form of Part 1 of Schedule 2 (*Form of Letter for Occupational Tenants*), on each tenant of the Mortgaged Property, such notice to be served:
  - (i) on the date of this Deed for all tenants in place on that date; and
  - (ii) for any new tenant, promptly upon such tenant entering into a Lease Agreement; and
- (b) use reasonable endeavours to procure that each such tenant acknowledges that notice, substantially in the form of Part 2 of Schedule 2 (*Form of Letter for Occupational Tenants*).

#### **6.2 Acquisitions**

If any Chargor acquires any freehold or leasehold property in England and Wales in accordance with the Facility Agreement after the date of this Deed it must:

- (a) notify the Security Agent immediately;
- (b) immediately on request by the Security Agent and at the cost of the relevant Chargor, execute and deliver to the Security Agent a legal mortgage over that property in favour of the Security Agent in any form which the Security Agent may require; and
- (c)
  - (i) if the title to that freehold or leasehold property is registered at the Land Registry or required to be so registered, give the Land Registry written notice of this Security; and
  - (ii) if applicable, ensure that this Security is correctly noted against that title in the title register at the Land Registry.

### 6.3 Land Registry

Each Chargor consents to a restriction in the following terms being entered into on the Register of Title relating to any Mortgaged Property registered at the Land Registry and will, on the date of this Deed, apply to H.M. Chief Land Registrar for such restriction to be entered into on the Register of Title relating to any Mortgaged Property:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [ ] in favour of [ ] referred to in the charges register or their conveyancer." (Standard Form P)

### 6.4 Deposit of title deeds

(a) Each Chargor must upon the execution of this Deed:

- (i) deposit with the Security Agent or its nominee all deeds and documents necessary to show good and marketable title to all property (the "Title Documents") set out in Schedule 1 (*Real Property*);
- (ii) procure that the Title Documents are held at the applicable Land Registry to the order of the Security Agent; or
- (iii) procure that the Title Documents are held to the order of the Security Agent by a firm of solicitors approved by the Security Agent for that purpose.

(b) Each Chargor must immediately:

- (i) deposit with the Security Agent or its nominee all deeds and documents necessary to show good and marketable title to any property referred to in Clause 6.2 (*Acquisitions*);
- (ii) procure that the Title Documents are held at the applicable Land Registry to the order of the Security Agent; or
- (iii) procure that the Title Documents are held to the order of the Security Agent by a firm of solicitors approved by the Security Agent for that purpose.

### 6.5 Registration of Intellectual Property

Each Chargor shall, if requested by the Security Agent, execute all such documents and do all acts that the Security Agent may reasonably require to record the existence of this Deed or the restrictions on disposal imposed by this Deed in any public register relating to any registered Intellectual Property.

## 7. ACCOUNTS

### 7.1 General

In this Clause 7, "Account Bank" means a person with whom a Charged Account is maintained under the Facility Agreement.

### 7.2 Book debts and receipts

(a) Each Chargor must get in and realise its:

- (i) Rents and other amounts due from tenants or any other occupiers of the Mortgaged Property; and

- (ii) book and other debts and other moneys due and owing to it,

in the ordinary course of its business and hold the proceeds of the getting in and realisation (except any rent deposits and cash collaterals paid by the tenants) (until payment into a Charged Account if required in accordance with paragraph (b) below) on trust for the Security Agent.

- (b) Each Chargor must, except to the extent that the Security Agent otherwise agrees, pay all the proceeds of the getting in and realisation into a Charged Account in accordance with the Facility Agreement.

### **7.3 Notices of charge**

Each Chargor must:

- (a) immediately serve a notice of charge, substantially in the form of Part 1 of Schedule 3 (*Forms of Letter for Account Bank*), on each Account Bank; and
- (b) use reasonable endeavours to procure that each Account Bank acknowledges the notice, substantially in the form of Part 2 of Schedule 3 (*Forms of Letter for Account Bank*).

## **8. INSURANCES**

Each Chargor must:

- (a) immediately serve a notice of assignment, substantially in the form of Part 1 of Schedule 4 (*Forms of Letter for Insurers*), on each counterparty to an Insurance Policy; and
- (b) use reasonable endeavours to procure that such counterparty acknowledges that notice, substantially in the form of Part 2 of Schedule 4 (*Forms of Letter for Insurers*).

## **9. INTRAGROUP DEBT**

Each Chargor must:

- (a) immediately serve a notice of assignment, substantially in the form of Part 1 of Schedule 5 (*Forms of Letter for Intragroup Borrower*), on each intragroup borrower of an Intragroup Debt; and
- (b) procure to ensure that such intragroup borrower acknowledges that notice, substantially in the form of Part 2 of Schedule 5 (*Forms of Letter for Intragroup Borrower*).

## **10. OTHER CONTRACTS**

Each Chargor must:

- (a) immediately serve a notice of assignment, substantially in the form of Part 1 of Schedule 6 (*Form of Letter for Guarantor*), on each guarantor under any guarantee of Rents, including the IHG Guarantee, contained in or relating to any Lease Agreement; and
- (b) use reasonable endeavours to procure that such guarantor acknowledges that notice, substantially in the form of Part 2 of Schedule 6 (*Forms of Letter for Guarantor*).

## **11. REPRESENTATIONS AND WARRANTIES**

### **11.1 General**

Each Chargor makes the representations and warranties set out in this Clause 11.1 (*General representations and warranties*) in respect of itself to the Security Agent and to each other Secured Party.

#### **11.1.1 Status**

Each Chargor is a limited liability company duly incorporated and validly existing under the law of its Original Jurisdiction.

#### **11.1.2 Business**

- (a) Each Chargor has the power to own its assets and carry out its business as it is being conducted.
- (b) No Chargor has any Subsidiary other than the relevant OpCo(s) and the Subsidiaries of certain OpCos created pursuant to the Structure Memorandum.
- (c) Each Chargor's centre of main interests (as that term is used in article 3 1. of Council Regulation (EC) no 1346/2000 of 29 May 2000 on insolvency proceedings (the "**Regulation**") or, for insolvency proceedings opened after 26 June 2017, Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the "**Regulation (recast)**") is situated in its Original Jurisdiction and no Chargor has an establishment (as that term is used in article 2, point (h) of the Regulation or, for insolvency proceedings opened after 26 June 2017, in article 2, point (10) of the Regulation (recast)) in any jurisdiction other than its Original Jurisdiction.
- (d) No Chargor has carried on any business other than the acquisition, disposal, ownership, operation, development, management and the letting of its Properties (and their financing).

#### **11.1.3 Binding obligations**

The obligations expressed to be assumed by each Chargor in this Deed are, subject to the Legal Reservations and the Perfection Requirements at the Signing Date, legal, valid, binding and enforceable obligations.

#### **11.1.4 Governing law and enforcement**

In relation to each Chargor, any judgment obtained in England and Wales in relation to this Deed will be recognised and enforced in its Original Jurisdiction subject to public policy and procedural laws applicable in its Original Jurisdiction.

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

The entry into and performance by each Chargor of, and the transactions contemplated by, this Deed, and the granting of any Security Interest, do not conflict with:

- (a) any law or regulation applicable to it or to its assets;
- (b) its constitutional documents;

- (c) any agreement or instrument binding upon it or any of its assets and do not conflict with any of its obligations towards third parties, including any agreement or deed binding on it and its assets;
- (d) any judgment or decision of provisional enforcement or which is final and non-appealable in respect of any proceedings to which it is a party.

#### **11.1.6 Power and authority**

- (a) Each Chargor 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.
- (b) Subject to the Perfection Requirements, all of the authorisations required to enter into this Deed have been validly obtained, and these authorisations, remain in full force and effect, there are no circumstances due to which such authorisations, will be withdrawn, cancelled, not renewed or amended in whole or in part.

#### **11.1.7 Authorisations**

- (a) Subject to the Perfection Requirements required under the Security Documents, all Authorisations and actions as well as statements, certificates, notifications and compulsory registration application forms required under any applicable law or regulation (other than as already covered under Clause 11.2 (*Representations and warranties related to the Financed Assets*)) to:
  - (i) enable each Chargor lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party and exercise its activities;
  - (ii) validly grant any Security Interest as provided for in this Deed; and
  - (iii) make the Finance Documents to which it is a party admissible in evidence in its Original Jurisdiction,

have been obtained or effected and are in full force and effect.
- (b) No Chargor is informed of circumstances due to which such Authorisations will be withdrawn, cancelled, not renewed or amended, in whole or in part, which it has not informed the Agent or the Security Agent.

#### **11.1.8 Compliance with laws and regulations**

Each Chargor complies, in all material respects, with all laws, rules and Authorisations applicable to it, to its activities and to its assets (including employment and social security law but other than as already covered under Clause 11.2 (*Representations and warranties related to the Financed Assets*)).

#### **11.1.9 *Pari passu* ranking**

Each Chargor's payment obligations under this Deed rank at least *pari passu* (insofar as these obligations do not benefit from a particular priority under a Security Interest) with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

#### 11.1.10 No misleading information

- (a) Any factual information provided to the Security Agent pursuant to Clause 12 (*Undertakings*) was (in relation to documents prepared by third parties, to the best knowledge of that Chargor) true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated (subject to uncertainty as regards forward-looking information).
- (b) The financial projections contained in the documents referred to in paragraph (a) above have been prepared on the basis of recent historical information and on the basis of reasonable assumptions.
- (c) Nothing has occurred or been omitted from the documents referred to in paragraph (a) above and which has not been notified to the Agent or the Security Agent, and no information has been given or withheld that results in the information contained in the documents referred to in paragraph (a) being untrue or misleading in any material respect.
- (d) The documents provided to the Security Agent pursuant to Clause 12 (*Undertakings*) are, as the case may be, originals or, if documents have been submitted as copies, conform, to authentic original documents and have not been varied, revoked, superseded or otherwise terminated and there is no other agreement (other than those entered into in connection with this financing) between the parties to these agreements which would materially impair the terms and conditions of such documents.

#### 11.1.11 Taxation

- (a) All Taxes due by each Chargor have been and/or will be paid and discharged in due time or sufficient reserves have been constituted or charges to be paid have been budgeted, in accordance with applicable accounting and tax rules (except where such payment is disputed in good faith and sufficient reserves or guarantees have been constituted to face the disputed payment and payment can be lawfully withheld), with the exception of minor failures to pay and discharge such Taxes which do not result in a material adverse tax effect.
- (b) All tax filings made by each Chargor are and remain true and accurate and taxable profit made by each Chargor has been declared in due time to the competent administrative authorities, with the exception of minor mistakes which do not result in a material adverse tax effect.
- (c) As at the Signing Date, no Chargor is involved in any litigation with any Tax authorities in relation to any Taxes or has received any notice to this effect and there is no on-going claim or proceedings by any Tax authorities or administration relating to Taxes. On the Signing Date, there are no claims which are current or to the best of its knowledge are pending against it or are reasonably likely to be asserted against it with respect to Taxes.
- (d) Each Chargor will make its best efforts to be solely resident for Tax purposes in its jurisdiction of incorporation.
- (e) VAT refunds have been made in due time and in compliance with applicable laws and regulations.
- (f) Each Chargor will duly and validly be subject to VAT and will be entitled to fully recover VAT.
- (g) As at the Signing Date, no Chargor is required to make any Tax Deduction (as defined in Clause 13.1 (*Definitions*) of the Facility Agreement) from any payment it may make under any Finance Document to a Lender which is (i) a Qualifying Lender other than a UK Treaty

Lender or (ii) a UK Treaty Lender and the payment is one specified in a direction given by the Commissioners of Revenue & Customs under Regulation 2 of the Double Taxation Relief (Taxes on Income) (General) Regulations 1970 (SI 1970/488).

#### **11.1.12 No proceedings pending or threatened**

On the Signing Date, no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, would have constituted a Material Adverse Change has or have (to the best of its knowledge and belief) been started against any Chargor or any of any Chargor's assets.

#### **11.1.13 Financial Indebtedness**

No Chargor has entered into any Financial Indebtedness other than Permitted Financial Indebtedness.

#### **11.1.14 Ownership of assets - Negative Pledge**

- (a) Each Chargor is the sole owner of all its assets subject to any ownership rights of any Finance Party pursuant to any Security Document.
- (b) No Encumbrance exists or has been granted over any Chargor's Financed Assets or the proceeds deriving from such Financed Asset other any Encumbrance which are authorised in accordance with the Finance Documents.
- (c) Subject to Legal Reservations (only when such representation is made on the relevant PropCo Acquisition Date) and the Perfection Requirements and any obligations mandatorily preferred by law applying to companies generally, the Security Interests constitute first ranking security interests of the type described, over the assets referred to, in the relevant Security Document without competing rights of equal ranking in favour of the Security Agent.

#### **11.1.15 Loans or credit**

No Chargor has granted any loan other than those permitted under Clause 23.1.10 (*Loans or credit*) of the Facility Agreement.

#### **11.1.16 Bank accounts**

No Chargor holds any bank account other than its PropCo Account and its Pre-Existing Accounts.

#### **11.1.17 Anti-bribery, anti-corruption and anti-money laundering**

No Chargor or its Subsidiaries or its directors (acting in such capacity on its behalf of the relevant entity or Subsidiary) has engaged in any activity or conduct which would violate any applicable Anti-Money Laundering Regulations or anti-bribery or anti-corruption laws, regulations or rules in any applicable jurisdiction.

Each Chargor and its Subsidiaries have, to the extent required by applicable law or regulation, instituted and maintain policies and procedures designed to prevent violation of such laws, regulations and rules.

#### **11.1.18 Sanctions**

No Chargor or its directors (acting in such capacity on its behalf) is a Sanctioned Person.

For the avoidance of doubt, in case of misrepresentation under this Clause only in consideration of the legislation or regulation with respect to Sanctions applicable to a single Lender (such legislation or regulation being in conflict with any legislation or regulation applicable to the other Lenders with respect to Sanctions), there will be no General Event of Default in that respect provided that the Commitment of that relevant Lender is cancelled and, if so requested by the relevant Lender, repaid in accordance with the provisions of Clause 7.1 (*Illegality*) of the Facility Agreement.

## **11.2 Representations and warranties related to the Financed Assets**

Each Chargor (in relation to its own Financed Assets) makes the representations and warranties set out in this Clause 11.2 (*Representations and warranties related to the Financed Assets*) to each Finance Party.

### **11.2.1 Ownership**

- (a) Each Chargor has a valid and transferable title deed and full ownership of its Financed Asset(s) (or leasehold right with respect to Financed Assets held on a leasehold basis) (or, in respect of a Financed Asset located in Scotland, is the heritable proprietor and has a good and marketable title thereto free from any Encumbrance (other than any Security Document and other than as expressly identified in the Property Reports)).
- (b) On the Signing Date, no dispossession, expropriation, requisition, sequestration, confiscation or attachment proceedings or measures concerning the Financed Asset(s) have been initiated and no Termination Event (within the meaning of the SPA) has occurred and is continuing in relation to any Financed Asset other than as expressly identified in the Property Reports.
- (c) No Financed Asset is encumbered by any easement other than (1) those which have been mentioned in writing to the Agent or the Security Agent or expressly identified in the Property Reports and (2) statutory or regulatory easements or those arising out of the location of the premises or the applicable town planning rules, and none of these easements (or their withdrawal if an easement benefiting the underlying land in question) is such as to adversely affect the Market Value of the Financed Assets or the normal operation of the Financed Assets.
- (d) No Chargor is bound by any undertaking or obligation of any nature whatsoever from which it would result a substantial restriction or limitation of the use or enjoyment of its Financed Asset(s) and other than as mentioned in writing to the Agent or the Security Agent or expressly identified in the Property Reports (save for contractual obligations provided for in the Lease Agreements and in the Finance Documents); in particular, no long-term lease (except any Leasehold), construction lease or rehabilitation lease has been concluded with respect to its Financed Asset(s).
- (e) On the Signing Date, there is no call or put option over, or undertaking to sell, or promise of mortgage granted over, all or part of, a Financed Asset or shares in any Chargor other than as mentioned in writing to the Agent or the Security Agent or expressly identified in the Property Reports.
- (f) There is no promise of mortgage or promise of security interests, other than in respect of the Security Interests granted pursuant to the Finance Documents or mentioned in writing to the Agent or the Security Agent or expressly identified in the Property Reports.
- (g) On the Signing Date, each Financed Asset is free from any action in revocation, rescission, cancellation, retrocession or claim regarding its ownership other than as expressly identified in the Property Reports.

- (h) On the Signing Date, none of the Financed Assets is subject to a seizure, protective measure or other equivalent procedure or, at its best knowledge, none of these measures is threatened other than as expressly identified in the Property Reports.
- (i) On the Signing Date, it is not informed of any action, measure or procedure initiated or contemplated by any person aiming at or that may result in depriving the relevant Chargor from its relevant Financed Asset ownership or of the faculty to freely operate it other than as expressly identified in the Property Reports.

### 11.2.2 Insurances

- (a) Each Financed Asset (except where a Financed Asset is insured by a landlord pursuant to the terms of the Headleases) is covered in accordance with Clause 24 (*Insurance*) of the Facility Agreement, with reputable insurance companies of good-standing and all premiums owed and payable under the aforementioned policies have been paid when due.
- (b) The insurance policies referred to in paragraph (a) above are in full force and it is not informed of any event that may reasonably result in cancellation, termination or otherwise ending or reducing the policy.
- (c) There is no material damage concerning the Financed Assets that has taken place and that would not be covered by appropriate insurance, subject to the usual deductibles.
- (d) Each Chargor may assign, charge, pledge or otherwise create Security Interests in or over (whether by way of collateral or otherwise) all or any of its rights under the insurance policies subscribed pursuant to Clause 24 (*Insurance*) of the Facility Agreement to the benefit of the Lenders (subject to applicable mandatory laws and regulations) other than where a Financed Asset is insured by a landlord pursuant to the terms of any Headlease.

### 11.2.3 Administrative Authorisations

- (a) To the best of each Chargors' knowledge and save as mentioned in writing to the Agent or the Security Agent or expressly identified in the Property Reports, each Financed Asset complies with:
  - (i) town planning, construction and activity laws and regulations, and has no outstanding obligations (including payment obligations) vis-à-vis the public administration;
  - (ii) laws and regulations relating to health and safety (in particular laws and regulations relating to asbestos or legionella); and
  - (iii) the Administrative Authorisations granted to it (including those relating to the operation of the relevant Financed Asset); such Administrative Authorisations remain in full force and effect and, to its knowledge, no procedure or action likely to affect these Administrative Authorisations is on-going;
 

being agreed that any such representation shall not be repeated for so long as a remedy period (if any) is on-going in relation to any breach under Clause 23.2.2 (*Administrative status*) of the Facility Agreement.
- (b) To the best of each Chargors' knowledge and save as expressly identified in the Property Reports, it is not liable for any risk relating to Environmental Law which has not been mentioned to the Agent.
- (c) Each Financed Asset is operated by each of the tenants under the relevant Lease Agreement in accordance with its destination and use and in compliance with Administrative

Authorisations, and holds all the relevant licenses required by law and regulation to operate as a hotel save where it has been mentioned in writing to the Agent or the Security Agent or has been expressly identified in the Property Reports that this is not the case.

#### **11.2.4 Lease Agreements**

- (a) To the best of each Chargor's knowledge, there has been no substantial breach of a Lease Agreement other than notified in writing to the Agent or the Security Agent.
- (b) Each of the Lease Agreements and related payment guarantee provided by the tenant are in force and constitute valid obligations for the relevant tenant or guarantor as the case may be, subject to the rules applicable to creditors' rights in general.
- (c) Each of the Lease Agreements is enforceable against the relevant tenant, subject to the rules applicable to creditors' rights in general.
- (d) Each of the Lease Agreements provides for a use of the relevant Financed Asset compliant with laws and regulations applicable to the relevant Financed Asset.
- (e) On the Signing Date, there is no dispute with any tenant in connection with a Lease Agreement.
- (f) Rents are paid directly in the relevant Chargor's PropCo Account.
- (g) As from the grant of the relevant Original Lease Agreements, the IHG Guarantee is in full force and effect and constitutes valid obligations for the IHG Guarantor, subject to the rules applicable to creditors' rights in general.
- (h) As of the Signing Date, there is no claim of a tenant which has not been disclosed in writing to the Agent, under a Lease Agreement, against any Chargor in its capacity as lessor under that lease, which could allow the relevant tenant to offset any amount owed by it to the relevant Chargor under a Lease Agreement and any other sum owed by the relevant Chargor to such tenant under the relevant Lease Agreement or any other agreement (subject to deposit amounts if applicable).

#### **11.3 Repetition**

- (a) Each of the representations and warranties set out in this Deed is made on the date of this Deed.
- (b) Unless a representation or warranty is expressed to be given as at a specific date, each representation and warranty set out in this Deed is deemed to be repeated by each Chargor on each Drawdown Date and on each Interest Payment Date; being specified in relation to the Financed Assets that such representations and warranties only apply to Financed Assets the Allocated Loan Amount of which has not been reduced to zero.
- (c) When a representation or warranty is repeated, it is repeated by reference to the facts and circumstances existing at the date of repetition.

### **12. UNDERTAKINGS**

#### **12.1 General undertakings**

The undertakings in this Clause 9 remain in force during the Security Period.

#### **12.1.1 Status**

No Chargor shall change its corporate form.

#### **12.1.2 Business**

- (a) Each Chargor shall conduct its business in accordance with its corporate purpose as defined in its articles of association (if any) as in force on the Signing Date.
- (b) Each Chargor shall maintain its registered office in its Original Jurisdiction.

#### **12.1.3 Articles of association**

No Chargor shall make any material amendment to its articles of association (save for amendments to be made to the relevant Chargors' articles of association on each relevant PropCo Acquisition Date) affecting adversely the interests of the Lenders under the Finance Documents without the prior written consent of the Agent (acting on instructions of the Majority Lenders); in particular no Chargor shall change its corporate form without the prior written consent of the Agent (acting on instructions of all the Lenders), being agreed that any capital increase of a Chargor is permitted provided that:

- (a) the shares issued in connection with such capital increase are fully subscribed by the relevant HoldCo; and
- (b) such shares are all charged pursuant to a Security Document;

and being agreed that any share capital reduction of the relevant Chargor resulting from losses shall be permitted provided that the Distribution resulting therefrom is made in accordance with the provisions of the Facility Agreement.

#### **12.1.4 Taxation**

No Chargor shall, without the prior written consent of the Majority Lenders, transfer or otherwise dispose of (whether pursuant to the exercise of any option, election, discretion or otherwise) any part of any right to credit or repayment in respect of any VAT from any relevant Tax authority.

#### **12.1.5 Financial Indebtedness**

No Chargor shall incur or allow to maintain outstanding any Financial Indebtedness other than Permitted Financial Indebtedness.

#### **12.1.6 Loans or credit**

No Chargor shall be a creditor in respect of any Financial Indebtedness except as permitted in the Facility Agreement.

#### **12.1.7 Distribution**

No Chargor shall make a Distribution unless such Distribution (i) is made while no (x) General Event of Default, nor (y) Potential General Event of Default, nor (z) Property Event of Default with respect to at least two Financed Assets and/or Chargors in each case representing (in aggregate) forty percent (40%) of the Market Value of the remaining Financed Assets, is continuing or (ii) if made while a General Event of Default or a Potential General Event of Default or a Property Event of Default with respect to at least two Financed Assets and/or Chargors in each case representing (in aggregate) forty percent (40%) of the Market Value of the remaining Financed Assets, is

continuing, is intended to be applied towards payment of any amount due by the Borrower under the Finance Documents.

#### **12.1.8 Acquisition of real estate properties**

No Chargor shall acquire nor become the owner of any property (by contribution or otherwise) (other than a Property).

#### **12.1.9 No Merger**

Except as expressly allowed under the Facility Agreement or this Deed, no Chargor will, enter into any amalgamation, consolidation, merger, demerger, division, spin off or other similar corporate reconstruction.

#### **12.1.10 Joint ventures**

No Chargor shall enter into, invest in or acquire (or agree to acquire) any shares, stocks, securities or other interest in any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

#### **12.1.11 Bank accounts**

- (a) Each Chargor shall comply with the provisions of Clause 12 (*Bank accounts and allocation of payments*) of the Facility Agreement.
- (b) No Chargor shall open any bank account in relation to Revenues arising from its Financed Assets, other than its PropCo Account and its Pre-Existing Account.
- (c) No Chargor shall grant any signing rights to any third party on the PropCo Accounts, except any Affiliate of the Borrower.

#### **12.1.12 Anti-corruption law**

- (a) No Chargor shall directly or indirectly use the proceeds of the Facility for any purpose which would breach any anti-bribery, anti-corruption law or anti-money laundering regulation (including Anti-Money Laundering Regulations).
- (b) Each Chargor will:
  - (i) conduct its businesses in compliance with applicable anti-bribery, anti-corruption or anti-money laundering laws, regulations and rules (including Anti-Money Laundering Regulations); and
  - (ii) maintain policies and procedures so as to comply with applicable laws or regulations and designed to promote and achieve compliance with such laws.

#### **12.1.13 Sanctions**

- (a) No Chargor will, directly or indirectly, use the proceeds of any Loan, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or any other person, (i) to fund any activities or business of or with any person, or in any country or territory, that, at the time of such funding, is, a Sanctioned Person or Sanctioned Country, or (ii) in any other manner that would result in a violation of Sanctions by any person (including any person participating in a Loan, whether as underwriter, advisor, investor, lender, arranger, hedge provider, facility or security agent or otherwise).

- (b) No Chargor shall, for the purpose of discharging amounts owing to any Finance Party in respect of the Facility, (i) use any revenue or benefit derived directly or indirectly from any activity or dealing with a Sanctioned Person or from a Sanctioned Country, or (ii) in any other manner that would result in a violation of Sanctions by any person (including any person participating in a Loan, whether as underwriter, advisor, investor, lender, arranger, hedge provider, facility or security agent or otherwise).
- (c) For the avoidance of doubt, in the event a Chargor would be in breach of the provisions of this Clause only in consideration of the legislation or regulation with respect to Sanctions applicable to a single Lender (such legislation or regulation being in conflict with any legislation or regulation applicable to the other Lenders with respect to Sanctions), there will be no General Event of Default in that respect provided that the Commitment of that relevant Lender is cancelled and, if so requested by the relevant Lender, repaid in accordance with the provisions of Clause 7.1 (*Illegality*) of the Facility Agreement.

#### **12.1.14 Visit**

Subject to the tenants' rights, under the existing Lease Agreements entered into with the tenants, each Chargor shall give to the representatives or experts of the Finance Parties access to the Financed Assets on a reasonable basis and according to its organization constraints if the Agent sends to the Borrower or to the relevant Chargor a prior notice reasonably in advance.

#### **12.1.15 Syndication**

Each Chargor shall provide reasonable assistance to the Mandated Lead Arrangers in the process of syndication of the Facility by giving to them all information in its possession relating to itself and/or to the Financed Assets.

#### **12.1.16 Statutory power of leasing**

No Chargor shall, unless it has the prior written consent of the Security Agent (or the same is otherwise expressly permitted in the Facility Agreement), exercise the statutory power of leasing nor accept the surrender of leases conferred on mortgagors in connection with any Mortgaged Property.

### **12.2 Undertakings related to the Financed Assets**

#### **12.2.1 Insurance**

Each Chargor shall comply with the provisions of Clause 13 (*Insurance*).

#### **12.2.2 Administrative status**

- (a) Each Chargor shall:
  - (i) ensure that its Financed Asset complies with all immediately applicable laws and regulations of England and Wales (or, with respect to Financed Assets located in Scotland, Scotland), in particular laws and regulations relating to town planning and construction,
  - (ii) ensure (and use its best efforts so that the relevant tenant ensures) that its Financed Asset complies with applicable laws and regulations of England and Wales (or, with respect to Financed Assets located in Scotland, Scotland) relating to public health, hygiene, safety (in particular laws and regulations relating to asbestos, termites and

legionella), the Environmental Law (including laws and regulations for classified installations);

- (iii) ensure that all Administrative Authorisations relating to its activity and the use and operation of the Financed Assets are obtained and maintained;
- (iv) ensure that its Financed Asset complies with all Administrative Authorisations applicable to it (including Administrative Authorisations relating to the operation of the Financed Assets);
- (v) ensure that its Financed Asset is used in accordance with their respective use and the Administrative Authorisations,

being agreed that in the event that (x) it is established that a Financed Asset does not comply with any of the foregoing and that (y) such failure to comply is detrimental to the Finance Parties' rights and interests or has an adverse effect on the operation (or the manner to operate) such Financed Asset or the payment of the Rents under the Lease Agreement relating to the relevant Financed Asset, the Chargor which owns the relevant Financed Asset shall use its best efforts to promptly remedy such failure to comply, and (to the extent such remedy does not require the obtaining of a building permit or any other Administrative Authorisation) in any case within twelve (12) months following the date on which the Borrower is aware of the failure to comply or any shorter timeline imposed by the competent administrative authority or the applicable regulation and in any case provided that such failure does not trigger an Event of Default under Clause 25.1.2 (C) or (D) of the Facility Agreement. The failure to comply will only constitute a breach of this paragraph (a) at the expiry of such 12-months period (irrespective of the fact that the relevant Chargor has used its best efforts to remedy such failure).

- (b) No Chargor shall change the use of any of its Financed Asset and each Chargor shall use and operate its Financed Asset (and procure that the relevant tenant will operate its business) in accordance with the use and destination of the relevant Financed Asset and the applicable Administrative Authorisations (subject to the compliance by the relevant tenant of its obligations under the relevant Lease Agreement).

### **12.2.3 Management of the Financed Assets**

- (a) Each Chargor shall manage its Financed Asset in a reasonable manner and maintain its Financed Asset in good state of upkeep and repair (ordinary wear and tear excepted), subject to the maintenance works carried out by the tenants in accordance with the Lease Agreements (and in each case in the same manner which a prudent property owner in the same business as each Chargor would ensure).
- (b) Each Chargor shall maintain its Financed Asset in good state of upkeep, of running, safety and hygiene subject to the undertakings taken by the relevant tenant, in its capacity as lessee under the relevant Lease Agreement, and if necessary to ensure that the relevant tenant will enter into appropriate servicing agreement in order to ensure the maintenance of its Financed Asset and its compliance with safety standards (and in each case in the same manner which a prudent property owner in the same business as each Chargor would ensure).

PROVIDED THAT nothing in paragraphs (a) and (b) shall require a Chargor to put a Financed Asset into any better state of repair than the Financed Asset was at the date of the Initial Valuation Report and further provided that where any tenant under a Lease Agreement is responsible for repair (and where the Chargor has no power under the relevant Lease Agreement to carry out the relevant works itself) it shall be sufficient that the Borrower or Chargor uses its best efforts to procure compliance by the relevant tenant with the relevant covenants of the Lease Agreement.

- (c) Prior to the date on which the IHG Guarantee is fully utilised, cancelled or terminated as notified by the Borrower to the Agent, not to authorize the Hotel Business of a Financed Asset to be operated under a brand other than an IHG Brand of equivalent standing (except for the Wotton House Property, which will not be operated under a brand).
- (d) As from the date on which the IHG Guarantee is fully utilised, cancelled or terminated as notified by the Borrower to the Agent, provided that the termination of a Lease Agreement occurs in accordance with the Framework Deed and the provisions of the relevant Lease Agreement, the Hotel Business of the relevant Financed Asset shall be operated by a Permitted Hotel Business Operator, provided that, in any case, the relevant Hotel Business is operated under (aa) a brand which is consistent with the standing and segment of the Hotel Business and (bb) a Lease Agreement which is entered into on an arm length and market standard terms.

#### **12.2.4 Transaction Documents**

- (a) Each Chargor will comply with the terms and conditions of the Transaction Documents and perform and exercise its rights and obligations thereunder.
- (b) No Chargor will amend the material terms of any Transaction Documents (other than the Lease Agreements) in a way which is detrimental to the rights and the interests of the Lenders under the Finance Documents, without the prior written consent of the Agent not to be unreasonably withheld or delayed, acting upon instructions of the Lenders, except any amendment required pursuant by law or contractual arrangements existing as at the Signing Date.
- (c) On the relevant PropCo Acquisition Date, the relevant Chargor (once acquired by the relevant HoldCo) shall sell the shares representing 100% of the share capital and voting rights of the OpCo it owns to the OpCos Purchaser.

#### **12.2.5 Operation the Financed Assets**

- (a) Each Chargor shall:
  - (i) do everything reasonably and commercially possible in order (i) to ensure that the relevant tenant or any guarantor will pay the Rents due by it under the Lease Agreement it has entered into on their due date and, more generally, (ii) to preserve its rights to such payment (including under any payment guarantee);
  - (ii) maintain in force the Lease Agreement and the Framework Deed (and any related payment guarantee) and not forfeit, surrender or otherwise terminate (or assign any right under) any of these agreements without the express written consent by the Agent (acting upon instructions of the Majority Lenders) not to be unreasonably withheld or delayed or in the context of a Permitted Change of Operator;
  - (iii) provide the Agent with a copy of any lease renewal or any new Lease Agreement on the Interest Payment Date immediately following its execution;
  - (iv) comply with the provisions of the Lease Agreements and the Framework Deed and perform its obligations thereunder and use its best efforts to ensure that the relevant tenant complies with the provisions of any such agreement and performs its obligations thereunder (if relevant);
  - (v) not change the use of the Financed Assets under the Lease Agreement;

- (vi) during the period of two (2) years following the Initial PropCo Acquisition Date, not amend the IHG Guarantee in a way which is detrimental or with respect to the guaranteed amount, the term or scope of the guarantee;
- (vii) as from the second anniversary date of the Initial PropCo Acquisition Date, not amend the IHG Guarantee (i) in a way which is detrimental and would materially affect the ability of the Borrower or any Chargor to comply with their obligations under the Finance Documents or (ii) if a payment had been made under the IHG Guarantee during the 18 months preceding the date of the contemplated amendment;
- (viii) not amend any Lease Agreement or terms under which the Financed Assets are operated which cumulatively:
  - (A) would cause an increase in the Portfolio LTV Ratio of 5% or more compared to the level of the Portfolio LTV Ratio evidenced by an update of the last Valuation Report; and
  - (B) occurs at a time the Portfolio LTV Ratio is equal or superior to 60% (and remains at such level notwithstanding the modification and the updated Valuation Report) or would cause the Portfolio LTV Ratio to be equal or superior to 60%;

it is specified that for the purpose of this paragraph (viii) the Lenders will have the right to request an updated Valuation Report. If no such update is requested by the Lenders, the Lease Agreement and the Framework Deed may be amended, provided in any case that such amendment does not affect the ability of the Borrower or any Chargor to comply with their obligations under the Finance Documents (and it is expressly acknowledged by the parties that if the amendments of the Lease Agreements would cause an increase in the Portfolio LTV of 5% or more but the Portfolio LTV Ratio is less than 60% then the relevant Chargor shall be authorised to amend the relevant Lease Agreement without the Agents' consent); and

- (ix) not transfer or assign, nor accept the transfer or assignment of the Lease Agreements it has entered into without the prior written consent of the Agent.

#### **12.2.6 Works - Capital Expenditures**

- (a) No Chargor shall without the prior written consent of the Agent carry out or perform works on the Financed Assets other than:
  - (i) the repair and maintenance works related to the Financed Assets;
  - (ii) the works intending to ensure compliance of the Financed Assets with safety standards;
  - (iii) the renovation, refurbishment or improvement works related to the Financed Assets;
  - (iv) the Brand Capex Program to be carried out by the OpCos; and
  - (v) any other works to be carried out in accordance with the provisions of the Lease Agreements,

and the Parties acknowledge that the Chargors may carry out the works authorised above provided that:

- (A) if corresponding to Capital Expenditures not paid by the OpCos, these are fully financed through Equity Injections and/or Excess Cash; and
  - (B) terms of the Lease Agreement are complied with.
- (b) If the performance of the works permitted under paragraph (a) above requires the obtaining of Administrative Authorisations or the prior consent of the landlord under the relevant Headlease, no Chargor shall start such works so long as the relevant Administrative Authorisation is not granted by the relevant public authority or consent of the relevant landlord is not obtained.

### **13. INSURANCE**

#### **13.1 Subscription of the insurance policies**

##### **13.1.1 Comprehensive insurance policy**

- (a) Each Chargor shall ensure (or where the insurance of a Financed Asset is maintained by a landlord pursuant to the terms of any Headlease, the relevant Chargor shall use its reasonable endeavours to ensure that) that its Financed Asset (including any properties by intended purpose or accession and all fixtures, equipment, machinery, apparatus, equipment and improvements (provided they belong to the relevant Chargor) is covered by an "all risks" insurance policy entered into with a first ranking insurance company with a creditworthiness of good repute and having its registered office in France.

Such insurance policy shall be effective as from the relevant PropCo Acquisition Date.

Such insurance policy shall enable, at any time, the reconstruction or complete replacement, at full reinstatement value of the Financed Asset (excluding Taxes) under market practice terms and conditions, following a loss or damage caused by fire, storm, tempest, flood, earthquake, lightning, explosion, impact, aircraft and other aerial devices and articles dropped from them, riot, acts of terrorism, civil commotion and malicious damage, bursting or overflowing of water tanks, apparatus or pipes and all other normally insurable risks of loss or damage for a property of the type of the Properties.

Such "all risks" insurance policy shall also:

- (i) cover the costs of demolition, excavation and shoring, professional fees, incurred after a damage (excluding VAT);
- (ii) include a loss of rents guarantee for at least thirty-six (36) months; and
- (iii) a property owner public liability and third party liability insurance.

If such insurance policy is subscribed in connection with a fleet policy, such policy shall not contain any annual or pluri-annual indemnities contractual limit applicable without distinction to all risks covered by such policy, unless the indemnities contractual limit is greater than the reinstatement value of each Financed Asset and includes the loss of rents, business interruption and consequential losses.

- (b) Each Chargor shall, ensure that (except where the insurance of a Financed Asset is maintained by a landlord pursuant to the terms of any Headlease) each of the all risk insurance policies covering the Financed Assets will:

- (i) name the Agent (on behalf of the Lenders) as composite co-insured party in respect of its own separate insurable interest under each of the insurances (other than public liability and third party liability insurances) but without:
  - (A) any liability on the part of the Agent or any other Finance Party for any premium in relation to those insurances (unless the Agent has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of any of those insurances); or
  - (B) any obligation on the part of the Agent or any other Finance Party to make any disclosure to any insurer or any insurance broker in relation to those insurances unless and until the Agent becomes a mortgagee in possession of any Financed Asset, in which circumstance an obligation shall apply on the part of the Agent or any other Finance Party to make disclosure to any insurer or any insurance broker in relation to the insurance or insurances in respect of that Financed Asset pursuant to the terms of that insurance or those insurances;
- (ii) contain a waiver of the rights of subrogation of the insurer as against each Chargor, the Borrower, each Finance Party and the tenants of each Financed Asset other than any such rights arising in connection with any fraud committed by any of those persons in respect of any Financed Asset or any insurance;
- (iii) contain a loss payee clause under which the Agent is named as first loss payee in respect of any claim or series of connected claims in excess of two hundred fifty thousand pound sterling (£250,000) (other than in respect of any claim under any third party liability insurances);
- (iv) provide (x) that the insurance company will (provided that it does not incur any costs) undertake to inform the Agent, ten (10) Business Days prior to any termination, cancellation or reduction in cover which is requested by an insured party and to notify the Agent of any delay in the payment of the premiums, and inform the Agent with a ten (10) Business Days prior notice of any termination of an insurance policy at its initiative, or, failing this, (y) that the insurance policy will not be vitiated or cancelled towards the Security Agent in case of occurrence of circumstance that are beyond the control of the relevant insured party and/or that the relevant insurance policy may only be terminated by the relevant insurance company if the latter has sent a thirty (30) days prior notice to the relevant Chargor, being specified that the Borrower shall forthwith notify the receipt of such notice to the Agent;
- (v) permit the assignment or pledge, in particular in favour of the Lenders, of all sums due or to be due in connection with the relevant all risk insurance policy;
- (vi) provide that the Agent may replace the relevant Chargor in the performance of their respective obligations under the relevant insurance policy in the event of a breach of such obligations by the relevant Chargor and the insurance policy will not be vitiated and may only be cancelled towards the Agent in case of breach, by the Borrower, of any of its obligations under that policy, if the insurer has sent to the Agent a written notice at least fifteen (15) calendar days in advance and the Agent, acting on behalf of the relevant Chargor is entitled to remedy to such breach at the relevant Chargor's costs, but does not actually use such right,

being agreed that the above mentioned provisions shall not result in any obligation or liability whatsoever to be incurred by the Agent or the Lenders (in particular the payment of premium).

### 13.1.2 Insurance related to the works

Before the start of any works to any Financed Asset, the relevant Chargor shall take out any insurance policy legally required in its Original Jurisdiction.

### 13.2 Undertaking related to the insurances policies

- (a) Each Chargor shall (except where the insurance is maintained by a landlord pursuant to the terms of any Headlease):
- (i) not terminate, in whole or in part, the insurance policies referred to in Clause 13.1 (*Subscription of the insurance policies*) above, unless it intends to replace such policy by another one,  
  
inform the Agent of its intention to subscribe a new insurance policy (pursuant to paragraph (i)(III) or not) and obtain the prior written consent of the Agent (acting on the Majority Lenders' instructions) on the main terms of such new policy, and, as the case may be on any change of the insurance company (this consent may not be unreasonably withheld), and grant to the Security Agent or to the Finance Parties (as the case may be) a Security Interest over the insurance proceeds under the same terms and conditions as those granted on the PropCo Initial Acquisition Date or the relevant PropCo Subsequent Acquisition Date (as applicable);
  - (ii) pay any premiums under such policies when due and payable (unless such payment is being contested in good faith) and, at the Agent's first request, provide the Agent as soon as possible with any document evidencing such payment;
  - (iii) preserve its rights to indemnity under the insurance policies referred to in Clause 13.1 (*Subscription of the insurance policies*) above, in particular to make all declaration within the applicable time period and in the form required by contract or by law;
  - (iv) use its best efforts to preserve its rights and the Lenders' rights under the insurance policies referred to above, in particular in case of dispute;
  - (v) notify the Agent of any renewal or cancellation of any insurance policy, or to its knowledge, would be pending or for which it has been notified that it might occur;
  - (vi) not authorize any action which might render null or cancellable an insurance policy;
  - (vii) not amend the insurance policy (in whole or in part) in a way which would adversely affect the Lenders' rights under the Security Interests and/or which would contradict any undertaking taken under this Clause 13 (*Insurance*), and, in any case, to shortly notify to the Agent any modification, amendment, extension or reduction in cover or any similar event which is affecting or is likely to affect an insurance policy;
  - (viii) notify the Agent of the occurrence of any damage for which the amounts of insurance indemnities to be paid is greater than one million Euros (€1,000,000) (or its equivalent in any other currency) and provide the Agent with any correspondences exchanges with the insurance broker or the insurance companies in relation to that damage;
  - (ix) notify the Agent of any refusal or challenge by the relevant insurance company, of a request for payment of insurance indemnities in excess of five hundred thousand Euros (€500,000) (or its equivalent in any other currency), by this relevant insurance company.
- (b) It is specified that the Agent is hereby authorized to make any verification.

- (c) In the event that a Chargor fails to comply with any of its obligations thereunder, the Agent may, at the Borrower's costs, take all measures that it reasonably believes necessary or desirable to prevent or remedy to such breach (including the subscription of an insurance policy or the payment of premiums).

### **13.3 Allocation of the insurance proceeds in case of damage**

#### **13.3.1 Principle: collection of the insurance proceeds by the Security Agent**

- (a) Pursuant to the Security Documents, each Chargor shall grant in favour of the Finance Parties a first ranking pledge over all other insurance proceeds pertaining to the Financed Assets (including all indemnities arising under the "loss of rents" guarantee or "business interruption" guarantee) (except for where the insurance is maintained by a landlord pursuant to the terms of any Headlease).
- (b) Consequently, upon the occurrence of a damage, all the amounts to be paid by the insurance company under the insurance policy covering the Financed Asset affected by such damage, will be paid to the Security Agent on the Security Proceeds Account (except for where the insurance is maintained by a landlord pursuant to the terms of any Headlease).
- (c) Any and all insurance proceeds (except for the "loss of rents" or "business interruption" indemnities) credited on the Security Proceeds Account pursuant to the Security Documents, will be allocated to the prepayment of the Outstanding Amount in accordance with the provisions of Clause 7.4.2 (*Partial mandatory prepayment in case of Major Damage*) of the Facility Agreement, unless the conditions provided for in Clause 13.3.2 (*Conditions of refund of the insurance proceeds*) below are met.
- (d) Any and all "loss of rents" and "business interruption" indemnities will be credited on the Security Proceeds Account pursuant to the Security Documents and allocated in accordance with the provisions of the Clause 13.3.2 (*Conditions of refund of the insurance proceeds*).

#### **13.3.2 Conditions of refund of the insurance proceeds**

- (a) Upon the occurrence of a Major Damage, the Chargor owning the relevant Financed Asset may proceed to the repair, restoration, reconstruction or the replacement of the damaged parts of such Financed Asset provided that the Borrower:
  - (i) notifies to the Security Agent, at the latest thirty (30) Business Days following the occurrence of the damage, the intention of the Chargor owning the relevant Financed Asset to carry out the works necessary to the reconstruction or the reinstatement of the damaged parts of such Financed Asset; and
  - (ii) supplies to the Security Agent, within 6 months following the occurrence of the damage all documents (which shall be satisfactory to the Agent in form and substance) evidencing that the conditions set forth in Clause 7.4.2(A) of the Facility Agreement are met.
- (b) If, at the end of the 6-month period mentioned above, the Borrower has not supplied to the Agent the documents evidencing that the conditions set out in in Clause 7.4.2(A) of the Facility Agreement are met, the insurance proceeds received by the Security Agent on the Security Proceeds Account (including the "loss of rents" and "business interruption" indemnities) will be applied to the repayment of the Outstanding Amount in accordance with the provisions of Clause 7.4.2 (*Partial mandatory prepayment in case of Major Damage*) of the Facility Agreement.

- (c) If, at the end of the 6-month period mentioned above, the Borrower has supplied to the Agent all documents evidencing, at the Agent's satisfaction, that the conditions set forth in Clause 7.4.2(A) of the Facility Agreement are met:
  - (i) the insurance proceeds (except under "loss of rents" and "business interruption" cover) received on the Security Proceeds Account will be returned to the Borrower (or onto any PropCo Account as directed by the Borrower), in order to be applied towards the payment of the costs and expenses relating to the relevant repair works, provided that the Borrower, or, as the case may be, the relevant Chargor, submits to the Agent the invoices relating to such costs and expenses;
  - (ii) the insurance proceeds received under "loss of rents" and "business interruption" cover will be promptly returned to the Borrower (or onto any PropCo Account as directed by the Borrower), being specified that if there is a General Event of Default or a Potential General Event of Default on the refund date, the insurance proceeds received under the "loss of rents" or "business interruption" guarantee will be returned only up to the amounts referred to in Clause 12.1.3(C) (*Designation and operation of the Security Agent's bank accounts*) of the Facility Agreement.
- (d) It is further specified that if the reconstruction or reinstatement works require the obtaining of a building permit or any other Administrative Authorisation, the Borrower shall supply to the Agent a copy of that permit or Administrative Authorisation and the relevant Chargor shall not start the works as long as the relevant permit or Administrative Authorisation has not been definitively granted by the relevant public authority, more generally, shall carry out the works with diligence (in particular in order to meet the achievement deadline set out in Clause 7.4.2(A) of the Facility Agreement are met).

## **14. WHEN SECURITY BECOMES ENFORCEABLE**

### **14.1 Declared Default**

This Security will become immediately enforceable upon the occurrence of a Declared Default.

### **14.2 Discretion**

After this Security has become enforceable, the Security Agent may enforce all or any part of this Security in any manner it sees fit or as instructed in accordance with the Facility Agreement.

### **14.3 Statutory powers**

The power of sale and other powers conferred by section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

## **15. ENFORCEMENT OF SECURITY**

### **15.1 General**

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- (c) The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with any provision of section 99 or section 100 of the Act.

## **15.2 No liability as mortgagee in possession**

Neither the Security Agent nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

## **15.3 Privileges**

The Security Agent and each Receiver is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that section 103 of the Act does not apply.

## **15.4 Protection of third parties**

- (a) No person (including a purchaser) dealing with the Security Agent or a Receiver or its or his/her agents will be concerned to enquire:
  - (i) whether the Secured Liabilities have become payable;
  - (ii) whether any power which the Security Agent or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
  - (iii) whether any money remains due under the Finance Documents; or
  - (iv) how any money paid to the Security Agent or to that Receiver is to be applied.
- (b) All the protections to purchasers and persons dealing with receivers contained in sections 104, 107 and 109(4) of the Act shall apply to any person purchasing from or dealing with the Security Agent or any such Receiver.
- (c) The receipt of the Security Agent or any Receiver shall be a conclusive discharge to any purchaser of the Security Assets.

## **15.5 Redemption of prior mortgages**

- (a) At any time after this Security has become enforceable, the Security Agent may:
  - (i) redeem any prior Security against any Security Asset; and/or
  - (ii) procure the transfer of that Security to itself; and/or
  - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on each relevant Chargor.
- (b) Each Chargor must pay to the Security Agent, within 3 Business Days of demand, the costs and expenses incurred by the Security Agent in connection with any such redemption and/or transfer, including the payment of any principal or interest.

## **15.6 Contingencies**

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Security Agent (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it.

## **15.7 Financial collateral**

- (a) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of any Chargor under this Deed constitute a "security financial collateral arrangement" (in each case, for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003), the Security Agent will have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.
- (b) Where any financial collateral is appropriated:
  - (i) if it is listed or traded on a recognised exchange, its value will be taken as being the value at which it could have been sold on the exchange on the date of appropriation; or
  - (ii) in any other case, its value will be such amount as the Security Agent reasonably determines having taken into account advice obtained by it from an independent commercial property adviser, investment bank or accountancy firm of national standing selected by it,

and each Finance Party will give credit for the proportion of the value of the financial collateral appropriated to its use.

## **16. RECEIVER**

### **16.1 Appointment of Receiver or administrator**

- (a) Except as provided below, the Security Agent may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
  - (i) this Security has become enforceable; or
  - (ii) the relevant Chargor so requests in writing to the Security Agent at any time.
- (b) The Security Agent may appoint any one or more persons to be an administrator pursuant to paragraph 12 or paragraph 14 of Schedule B1 of the Insolvency Act 1986 (and in the case of an appointment under paragraph 14 of Schedule B1 of the Insolvency Act 1986, without notice to that Chargor) of all or any part of the Security Assets if:
  - (i) this Security has become enforceable; or
  - (ii) the relevant Chargor so requests in writing to the Security Agent at any time.
- (c) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
- (d) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.
- (e) The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under section 1A of the Insolvency Act 1986.
- (f) The Security Agent may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Security Agent is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

## **16.2 Removal**

The Security Agent may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

## **16.3 Remuneration**

The Security Agent may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the Act will not apply.

## **16.4 Agent of the Chargors**

- (a) A Receiver will be deemed to be the agent of each Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act save to the extent that the provisions of that Act are varied by or are inconsistent with the provisions of this Deed when the provisions of this Deed shall prevail. Each Chargor alone is responsible for any contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.
- (b) No Secured Party will incur any liability (either to any Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

## **16.5 Relationship with Security Agent**

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Security Agent in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

## **17. POWERS OF RECEIVER**

### **17.1 General**

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause 17 (*Powers of Receiver*) in addition to those conferred on it by any law. This includes:
  - (i) in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986; and
  - (ii) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him/her states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.
- (c) A Receiver shall have (and be entitled to exercise) in relation to the Secured Assets over which he is appointed the following powers (as the same may be varied or extended by the provisions of this Deed):
  - (i) all of the powers of an administrative receiver and a Scottish receiver set out in Schedule 1 and Schedule 2 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver); and

- (ii) all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the Act.
- (d) The powers granted to a Receiver pursuant to this Deed may be restricted by the document (signed by the Security Agent) appointing him but they shall not be restricted by any winding-up or dissolution of any Chargor.

## **17.2 Possession**

A Receiver may take immediate possession of, get in and realise any Security Asset.

## **17.3 Carry on business**

A Receiver may carry on any business of each Chargor in any manner he/she thinks fit.

## **17.4 Employees**

- (a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he/she thinks fit.
- (b) A Receiver may discharge any person appointed by any Chargor.

## **17.5 Borrow money**

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he/she thinks fit.

## **17.6 Sale of assets**

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he/she thinks fit.
- (b) The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he/she thinks fit.
- (c) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the relevant Chargor.

## **17.7 Leases**

A Receiver may let any Security Asset for any term and at any rent (with or without a premium) which he/she thinks fit and may accept a surrender of any lease or tenancy of any Security Asset on any terms which he/she thinks fit (including the payment of money to a lessee or tenant on a surrender).

## **17.8 Compromise**

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of any Chargor or relating in any way to any Security Asset.

#### **17.9 Legal actions**

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he/she thinks fit.

#### **17.10 Receipts**

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

#### **17.11 Subsidiaries**

A Receiver may form a Subsidiary of any Chargor and transfer to that Subsidiary any Security Asset.

#### **17.12 Delegation**

A Receiver may delegate his/her powers in accordance with this Deed.

#### **17.13 Lending**

A Receiver may lend money or advance credit to any person.

#### **17.14 Protection of assets**

A Receiver may:

- (a) effect any repair or insurance and do any other act which a Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;
- (b) commence and/or complete any building operation; and
- (c) apply for and maintain any planning permission, building regulation approval or any other Authorisation,

in each case as he/she thinks fit.

#### **17.15 Other powers**

A Receiver may:

- (a) do all other acts and things which he/she may consider necessary or desirable for realising any Security Asset or incidental or conducive to any of the rights, powers, functions, authorities or discretions conferred on or vested in a Receiver under or by virtue of this Deed or law (including the bringing or defending of proceedings in the name of, or on behalf of, any Chargor; the collection and/or realisation of Security Assets in such manner and on such terms as the Receiver sees fit; and the execution of documents in the name of any Chargor (whether under hand, or by way of deed or by utilisation of the company seal of any Chargor);
- (b) exercise in relation to any Security Asset all the powers, authorities and things which he/she would be capable of exercising if he/she were the absolute beneficial owner of that Security Asset and the power to do or omit to do anything which any Chargor itself could do or omit to do; and
- (c) use the name of each Chargor for any of the above purposes.

## **18. APPLICATION OF PROCEEDS**

All amounts from time to time received or recovered by the Security Agent or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or part of this Security will be held by the Security Agent and applied in accordance with the Facility Agreement and any surplus following such application shall be paid to the relevant Chargor or any other person entitled to receive it. This Clause 18 (*Application of Proceeds*):

- (a) is subject to the payment of any claims having priority over this Security; and
- (b) does not prejudice the right of any Secured Party to recover any shortfall from any Chargor.

## **19. EXPENSES AND INDEMNITY**

Each Chargor must:

- (a) within 3 Business Days of demand, and subject to the presentation of supporting documents to the Chargors, pay to each Secured Party the amount of all costs and expenses (including legal fees) incurred by that Secured Party in connection with this Deed including any arising from any actual or alleged breach by any person of any law or regulation; and
- (b) keep each Secured Party indemnified against any failure or delay in paying those costs or expenses.

## **20. DELEGATION**

### **20.1 Power of Attorney**

The Security Agent or any Receiver may, at any time, delegate by power of attorney or otherwise to any person for any period all or any right, power, authority or discretion exercisable by it under this Deed which shall not preclude exercise of those powers, authorities or discretions by it or him or any revocation of the delegation or any subsequent delegation.

### **20.2 Terms**

Any such delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Agent or that Receiver (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties.

### **20.3 Liability**

Neither the Security Agent nor any Receiver shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

## **21. FURTHER ASSURANCES**

- (a) Each Chargor must promptly, at its own expense, take whatever action the Security Agent or a Receiver may reasonably require for:
  - (i) creating, perfecting or protecting any security over any Security Asset; or
  - (ii) facilitating the realisation of any Security Asset in accordance with this Deed, or the exercise of any right, power or discretion exercisable, by the Security Agent or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset.

- (b) The action that may be required under paragraph (a) above includes:
- (i) the execution of any mortgage, charge, transfer, conveyance, assignment or assurance of any asset, whether to the Security Agent or to its nominees; or
  - (ii) the giving of any notice, order or direction and the making of any filing or registration,
- which, in any such case, the Security Agent (acting reasonably) may consider necessary or desirable.

## **22. POWER OF ATTORNEY**

During the Security Period, each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their respective delegates or sub-delegates to be its attorney with the full power and authority of it to, at any time after the occurrence of a General Event of Default and while the same is continuing, execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case which may be required or which any attorney may in its absolute discretion deem necessary for carrying out any obligation of it under or pursuant to this Deed or generally for enabling the Security Agent or any Receiver to exercise the respective powers conferred on them under this Deed or by law. Each Chargor ratifies and confirms all actions any attorney does or purports to do under its appointment under this Clause 22 (*Power of Attorney*), provided such acts were not carried out by the attorney with fraud, gross negligence, wilful misconduct or illegality.

## **23. MISCELLANEOUS**

### **23.1 Continuing Security**

This Security is a continuing security and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.

### **23.2 Tacking**

Each Lender must perform its obligations under the Facility Agreement (including any obligation to make available further advances).

### **23.3 New Accounts**

- (a) If any subsequent charge or other interest affects any Security Asset, a Secured Party may open a new account with each relevant Chargor.
- (b) If that Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.
- (c) As from that time all payments made to that Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

### **23.4 Time deposits**

Without prejudice to any right of set-off any Secured Party may have under any other Finance Document or otherwise, if any time deposit matures on any account any Chargor has with any Secured Party within the Security Period when:

- (a) this Security has become enforceable; and

(b) no Secured Liability is due and payable,

that time deposit will automatically be renewed for any further maturity which that Secured Party considers appropriate (acting reasonably).

### **23.5 Subsequent charges**

Subject to Clause 5.1 (*Security*), each Chargor shall procure that any Security created by it after the date of this Deed (otherwise than in favour of the Security Agent) shall be expressed to be subject to this Deed.

### **23.6 Preservation of fixed charge**

Without prejudice to Clause 4 (*Creation of Security*), if, pursuant to the Facility Agreement, a Chargor is entitled to withdraw the proceeds of any book and other debts standing to the credit of an Account and, as a result, those proceeds are in any way released from the fixed charge created pursuant to Clause 4 (*Creation of Security*), the release will in no way derogate from the subsistence and continuance of the fixed charge on all other outstanding book and other debts of that Chargor and the proceeds of those debts.

### **23.7 Property of the Security Agent**

This Deed is and will remain the property of the Security Agent.

### **23.8 Subordination**

- (a) Until all amounts due (whether payable or not) by the Borrower under or in connection with the Finance Documents have been irrevocably paid in full, no Chargor shall, after an enforcement of a Security Interest granted by it has occurred:
  - (i) be subrogated to any rights, security or moneys held, received or receivable by any Finance Party (or any agent on its behalf) or be entitled to any right of contribution or indemnity in respect of any Security Interest enforced and, to the extent that such relevant entity is so subrogated or entitled by law, such relevant entity (to the fullest extent permitted by law) waives and agrees not to exercise or claim those rights, security or money or that right of contribution or indemnity;
  - (ii) claim, rank, prove or vote as a creditor of the Borrower or its estate in competition with any Finance Party (or any agent on its behalf) unless otherwise required by the Agent or by law (in which case any proceeds of any claim in respect of any rights, security or monies of any Finance Party to which such relevant entity was subrogated will be paid by such relevant entity to the Agent to be applied in accordance with the provisions of the Finance Documents) or unless required for filing any debt claim (*déclaration de créance*) it may have against the Borrower in an insolvency proceeding; or
  - (iii) receive, claim or have the benefit of any payment, distribution or security from or on account of the Borrower in respect of that Security Interest.
- (b) The Chargors shall hold for account of and forthwith pay or transfer to the Agent for the Finance Parties any payment or distribution or benefit of security received by it contrary to this Clause 23.8.

## **23.9 Demands and notices**

Any demand, notice, consent or communication to be made or given by or to a Chargor or the Security Agent under or in connection with this Deed shall be made and delivered as provided in Clause 33 (*Notices*) of the Facility Agreement.

## **24. RELEASE**

At the end of the Security Period, the Finance Parties must promptly following the request and at the cost of the Chargors, take whatever action is necessary to release its Security Assets from this Security, re-assign any rights assigned to the Security Agent under this Deed and return all deeds and documents of title delivered to the Security Agent under this Deed.

## **25. CHANGES TO THE PARTIES**

### **25.1 Successors**

- (a) This Deed shall be binding upon and enure to the benefit of each Party and its and/or any subsequent successors and permitted assigns and transferees.
- (b) Without prejudice to paragraph (a) above, this Deed shall remain in effect despite any amalgamation or merger (however effected) relating to the Security Agent and references to the Security Agent herein shall be deemed to include any person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of the Security Agent under this Deed or to which, under such laws, those rights and obligations have been transferred.

### **25.2 No assignment or transfer by a Chargor**

No Chargor may assign or transfer any or all of its rights (if any) and/or obligations under this Deed.

### **25.3 Accession of an Additional Chargor**

- (a) Grand Central Hotel Company Limited, Oxford Spires Hotel Limited, De Vere Oxford Thames Limited and any other entity may at any time, in accordance with the terms of the Finance Documents or otherwise with the prior written approval of the Security Agent, become a party to this Deed by delivering to the Security Agent in form and substance satisfactory to it:
  - (i) a fully executed Deed of Accession; and
  - (ii) certified extracts from the minutes of a meeting of its board of directors (or equivalent officers) evidencing the due authorisation and execution of the Deed of Accession and any other condition precedent required by the Finance Documents.
- (b) Each Additional Chargor shall become a Chargor under this Deed with effect from the time when the Deed of Accession takes effect, at which point:
  - (i) the Additional Chargor shall become bound by all the terms of this Deed and shall assume the same obligations as Chargor as if it were an original party to this Deed (subject to the limitations (if any) set out in the Deed of Accession executed by that Additional Chargor); and
  - (ii) the other Chargors shall assume the same obligations in respect of the Additional Chargor as if it were an original party to this Deed.

#### **25.4 Assignment by other Secured Parties**

- (a) Each Secured Party (other than the Security Agent) may assign all or any of its rights under this Deed (whether direct or indirect) to any person to which it can transfer its rights in accordance with the terms of the Facility Agreement.
- (b) Each Chargor irrevocably and unconditionally confirms that:
  - (i) it consents to any assignment or transfer by any Secured Party of its rights and/or obligations made in accordance with the provisions of the Facility Agreement;
  - (ii) it shall continue to be bound by the terms of this Deed, notwithstanding any such assignment or transfer; and
  - (iii) the assignee or transferee of such Secured Party shall acquire an interest in this Deed upon such assignment or transfer taking effect.

#### **25.5 Assignment and transfer by Security Agent to successor**

The Security Agent may assign and transfer all or any part of its rights and obligations under this Deed to a replacement security trustee appointed pursuant to the terms of the Facility Agreement. Such replacement security trustee will, from the date of such assignment or transfer, be the security trustee for the Secured Parties under this Deed instead of the previous security trustee.

#### **26. GOVERNING LAW**

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

#### **27. ENFORCEMENT**

##### **27.1 Jurisdiction of English courts**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of, or in connection with this Deed (including any dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "Dispute").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 27.1 (*Jurisdiction of English courts*) is for the benefit of the Security Agent only. As a result, the Security Agent is not prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

##### **27.2 Waiver of immunities**

Each Chargor irrevocably waives, to the extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from:

- (a) suit;
- (b) jurisdiction of any court;
- (c) relief by way of injunction or order for specific performance or recovery of property;

- (d) attachment of its assets (whether before or after judgment); and
- (e) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction (and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any immunity in any such proceedings).

### **27.3 Service of process**

- (a) Without prejudice to any other mode of service allowed under any relevant law, each Chargor (other than a Chargor incorporated in England and Wales):
  - (i) irrevocably appoints Lagonda Russell PropCo Limited as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed; and
  - (ii) agrees that failure by a process agent to notify the relevant Chargor of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the relevant Chargor must promptly (and in any event within 5 Business Days of such event taking place) appoint another agent on terms acceptable to the Security Agent (acting reasonably). Failing this, the Security Agent may appoint another agent for this purpose.

IN WITNESS WHEREOF this Deed has been signed on behalf of the Security Agent and executed as a deed by each Chargor and is intended to be and is hereby delivered by it as a deed on the date specified above.

**SCHEDULE 1**  
**REAL PROPERTY**

<b>Chargor</b>	<b>Property</b>	<b>Tenure</b>
1. Lagonda Russell Propco Limited	The Principal London, Russell Square, London WC1B 5BE  Title number: NGL923263	Leasehold
2. Lagonda Leeds Propco Limited	Principal Leeds – The Principal Met Hotel Leeds, King Street, Leeds LS1 2HQ  Title number: WYK944048	Leasehold
3. Lagonda York Propco Limited	The Principal York, Station Road, York YO24 1AA  Title number: NYK393521	Leasehold
4. Lagonda Palace Propco Limited	The Principal Manchester, Oxford Road, Manchester M60 7HA  Title number: MAN186688	Leasehold

Chargor	Property	Tenure
5. The St David's Hotel Cardiff Limited	Principal Cardiff, - The Principal St David's Hotel, Havannah Street, Cardiff CF10 5SD Title number: WA607363	Freehold
6. Wotton House Properties Limited	De Vere Wotton House, Wotton Drive, Guildford Road, Dorking, Surrey, RH5 6HS Title number: SY576703	Leasehold

## SCHEDULE 2

### FORM OF LETTER FOR OCCUPATIONAL TENANTS

#### Part 1

#### NOTICE TO OCCUPATIONAL TENANT

To: [Occupational tenant]

Copy: [Security Agent] (as Security Agent as defined below)

[Date]

Dear Sirs,

Re: [Property address]

**Debenture dated [ ] between [Chargor]  
and [Security Agent] (the "Debenture")**

We refer to the lease dated [ ] and made between [ ] and [ ] (the "Lease").

This letter constitutes notice to you that under the Debenture we have assigned absolutely (subject to a proviso for re-assignment on redemption) to [Security Agent] (as trustee for the Secured Parties as referred to in the Debenture, the "Security Agent") all our rights under the Lease.

We confirm that:

- (a) we will remain liable under the Lease to perform all the obligations assumed by us under the Lease; and
- (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Lease (unless the Security Agent, its agents, any receiver or any other person has taken enforcement action under the Debenture and has elected in writing to step in and perform our obligations in respect of the Lease).

We will also remain entitled to exercise all our rights, powers and discretions under the Lease, and you should continue to give notices under the Lease to us, unless and until you receive notice from the Security Agent to the contrary stating that the security under the Debenture has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and all notices must be given to, the Security Agent or as it directs.

We irrevocably instruct and authorise you to pay all rent and all other moneys payable by you under the Lease to our account [with the Security Agent] at [ ], Account No. [ ], Sort Code [ ] (the "Rent Account").

The instructions in this letter apply until you receive notice from the Security Agent to the contrary and notwithstanding any previous instructions given by us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

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

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Security Agent at [address] with a copy to us.

Yours faithfully,

.....  
(Authorised Signatory)  
[Chargor]

## Part 2

### ACKNOWLEDGEMENT OF OCCUPATIONAL TENANT

To: [Security Agent] (as Security Agent)

Attention: [●]

[Date]

Dear Sirs,

Re: [Property address]

Debenture dated [ ] between [Chargor]  
and [Security Agent] (the "Debenture")

We confirm receipt from [Chargor] (the "Chargor") of a notice dated [ ] (the "Notice") in relation to the Lease (as defined in the Notice).

Terms defined in the Notice have the same meaning when used in this letter.

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice;
- (b) have not received any notice of any prior security over the Lease or that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Lease;
- (c) must pay all rent and all other moneys payable by us under the Lease into the Rent Account; and
- (d) must continue to pay those moneys into the Rent Account until we receive your written instructions to the contrary.

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

Yours faithfully,

.....  
For  
[Occupational tenant]

**SCHEDULE 3**  
**FORMS OF LETTER FOR ACCOUNT BANK**

**Part 1**

**NOTICE TO ACCOUNT BANK**

To: [Account Bank]

Copy: [Security Agent] (as Security Agent as defined below)

[Date]

Dear Sirs,

**Debenture dated [ ] between [Chargor]  
and [Security Agent] (the "Debenture")**

This letter constitutes notice to you that under the Debenture we have charged (by way of a first fixed charge) in favour of [Security Agent] (as trustee for the Secured Parties as referred to in the Debenture, the "Security Agent") all our rights in respect of any account, and any amount standing to the credit of any account, maintained by us with you (the "Accounts").

We irrevocably instruct and authorise you to:

- (a) disclose to the Security Agent any information relating to any Account requested from you by the Security Agent;
- (b) comply with the terms of any written notice or instruction relating to any Account received by you from the Security Agent; and
- (c) hold all sums standing to the credit of any Account to the order of the Security Agent.

We are permitted to withdraw any amount from the Accounts unless and until you receive a notice from the Security Agent to the contrary stating that we are no longer permitted to withdraw any amount from any Account without its consent. If and from the date on which you receive any such notice, we will not be permitted to withdraw any amount from any Account without the prior written consent of the Security Agent.

We acknowledge that you may comply with the instructions in this letter without any further permission from us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

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

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Agent at [address] with a copy to us.

Yours faithfully,

.....  
(Authorised Signatory)  
[Chargor]

Part 2

ACKNOWLEDGEMENT OF ACCOUNT BANK

To: [Security Agent] (as Security Agent)

Copy: [Chargor]

[Date]

Dear Sirs,

Debenture dated [ ] between [Chargor]  
and [Security Agent] (the "Debenture")

We confirm receipt from [Chargor] (the "Chargor") of a notice dated [ ] (the "Notice") of a charge upon the terms of the Debenture over all the rights of the Chargor to any amount standing to the credit of any of the Chargor's accounts with us (the "Accounts").

Terms defined in the Notice have the same meaning when used in this letter.

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice;
- (b) have not received notice of any prior security over, or the interest of any third party in, any Account;
- (c) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of any Account; and
- (d) will comply with any notice we may receive from the Security Agent in respect of the Accounts.

The Accounts maintained with us are:

[Specify accounts and account numbers]

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

Yours faithfully,

.....  
(Authorised signatory)  
[Account Bank]

**SCHEDULE 4**  
**FORMS OF LETTER FOR INSURERS**

**Part 1**

**NOTICE TO INSURER**

To: [Insurer]

Copy: [Security Agent] (as Security Agent as defined below)

[Date]

Dear Sirs,

**Debenture dated [ ] between [Chargor]  
and [Security Agent] (the "Debenture")**

This letter constitutes notice to you that under the Debenture we have assigned absolutely, subject to a proviso for re-assignment on redemption, to [Security Agent] (as trustee for the Secured Parties as referred to in the Debenture, the "Security Agent") all our rights in respect of [insert details of contract of insurance] (the "Insurance").

We confirm that:

- (a) we will remain liable under the Insurance to perform all the obligations assumed by us under the Insurance; and
- (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Insurance (unless, and to the extent, otherwise expressly provided for in the Insurance or unless the Security Agent, its agents, any receiver or any other person has taken enforcement action under the Debenture and has elected in writing to step in and perform our obligations in respect of the Insurance).

We will also remain entitled to exercise all our rights, powers and discretions under the Insurance, and you should continue to give notices and make payments under the Insurance to us (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Security Agent in respect of the Insurance), unless and until you receive notice from the Security Agent to the contrary stating that the security under the Debenture has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Security Agent or as it directs (unless, and to the extent, otherwise expressly provided for in the Insurance or in any insurer letter you may have issued to the Security Agent in respect of the Insurance).

We irrevocably instruct and authorise you to disclose to the Security Agent any information relating to the Insurance requested from you by the Security Agent.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Agent at [address] with a copy to us.

Yours faithfully,

.....  
(Authorised signatory)  
[Chargor]

## Part 2

### ACKNOWLEDGEMENT OF INSURER

To: [Security Agent] (as Security Agent)

Copy: [Chargor]

[Date]

Dear Sirs,

**Debenture dated [ ] between [Chargor]  
and [Security Agent] (the "Debenture")**

We confirm receipt from [Chargor] (the "Chargor") of a notice dated [ ] (the "Notice") of an assignment on the terms of the Debenture of all the Chargor's rights in respect of [insert details of the contract of insurance] (the "Insurance").

Terms defined in the Notice have the same meaning when used in this letter.

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice; and
- (b) will give notices and make payments under the Insurance as directed in the Notice.

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

Yours faithfully,

.....  
(Authorised signatory)  
[Insurer]

**SCHEDULE 5**  
**FORMS OF LETTER FOR INTRAGROUP BORROWER**

**Part 1**

**NOTICE TO INTRAGROUP BORROWER**

To: [Intragroup Borrower]

Copy: [Security Agent] (as Security Agent as defined below)

[Date]

Dear Sirs,

**Debenture dated [ ] between [Chargor]  
and [Security Agent] (the "Debenture")**

This letter constitutes notice to you that under the Debenture we have assigned absolutely, subject to a proviso for re-assignment on redemption to [Security Agent] (as trustee for the Secured Parties as referred to in the Debenture, the "Security Agent") all our rights in respect of [insert details of contract] (the "Intragroup Debt Agreement").

We confirm that:

- (a) we will remain liable under the Intragroup Debt Agreement to perform all the obligations assumed by us under the Intragroup Debt Agreement; and
- (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Intragroup Debt Agreement (unless the Security Agent, its agents, any receiver or any other person has taken enforcement action under the Debenture and has elected in writing to step in and perform our obligations in respect of the Intragroup Debt Agreement).

We will also remain entitled to exercise all our rights, powers and discretions under the Intragroup Debt Agreement, and you should continue to give notices and make payments under the Intragroup Debt Agreement to us, unless and until you receive notice from the Security Agent to the contrary stating that the security under the Debenture has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Security Agent or as it directs.

We irrevocably instruct and authorise you to disclose to the Security Agent any information relating to the Intragroup Debt Agreement requested from you by the Security Agent.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Agent at [address] with a copy to us.

Yours faithfully,

.....  
(Authorised signatory)  
[Relevant Chargor]

## Part 2

### ACKNOWLEDGEMENT OF COUNTERPARTY

To: [Security Agent] (as Security Agent)

Copy: [Relevant Chargor]

[Date]

Dear Sirs,

**Debenture dated [ ] between [Chargor]  
and [Security Agent] (the "Debenture")**

We confirm receipt from [Relevant Chargor] (the "Chargor") of a notice dated [ ] (the "Notice") of an assignment on the terms of the Debenture of all the Chargor's rights in respect of [insert details of the contract] (the "Intragroup Debt Agreement").

Terms defined in the Notice have the same meaning when used in this letter.

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice; and
- (b) will give notices and make payments under the Intragroup Debt Agreement as directed in the Notice.

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

Yours faithfully,

.....  
(Authorised signatory)  
[Intragroup Borrower]

**SCHEDULE 6**  
**FORMS OF LETTER FOR GUARANTOR**

**Part 1**

**NOTICE TO GUARANTOR**

To: [Guarantor]

Copy: [Security Agent] (as Security Agent as defined below)

[Date]

Dear Sirs,

**Debenture dated [ ] between [Chargor]  
and [Security Agent] (the "Debenture")**

This letter constitutes notice to you that under the Debenture we have assigned absolutely, subject to a proviso for re-assignment on redemption to [Security Agent] (as trustee for the Secured Parties as referred to in the Debenture, the "Security Agent") all our rights in respect of [insert details of guarantee] (the "Guarantee").

We confirm that:

- (a) we will remain liable under the Guarantee to perform all the obligations assumed by us under the Guarantee; and
- (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Guarantee (unless the Security Agent, its agents, any receiver or any other person has taken enforcement action under the Debenture and has elected in writing to step in and perform our obligations in respect of the Guarantee).

We will also remain entitled to exercise all our rights, powers and discretions under the Guarantee, and you should continue to give notices and make payments under the Guarantee to us, unless and until you receive notice from the Security Agent to the contrary stating that the security under the Debenture has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Security Agent or as it directs.

We irrevocably instruct and authorise you to disclose to the Security Agent any information relating to the Guarantee requested from you by the Security Agent.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Agent at [address] with a copy to us.

Yours faithfully,

.....  
(Authorised signatory)  
[Relevant Chargor]

**Part 1**

**ACKNOWLEDGEMENT OF COUNTERPARTY**

To: [Security Agent] (as Security Agent)

Copy: [Relevant Chargor]

[Date]

Dear Sirs,

**Debenture dated [ ] between [Chargor]  
and [Security Agent] (the "Debenture")**

We confirm receipt from [Relevant Chargor] (the "Chargor") of a notice dated [ ] (the "Notice") of an assignment on the terms of the Debenture of all the Chargor's rights in respect of [insert details of the guarantee] (the "Guarantee").

Terms defined in the Notice have the same meaning when used in this letter.

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice; and
- (b) will give notices and make payments under the Guarantee as directed in the Notice.

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

Yours faithfully,

.....  
(Authorised signatory)  
[Guarantor]

## SCHEDULE 7

### FORM OF DEED OF ACCESSION

**THIS DEED OF ACCESSION** is made on *[date]*

**BETWEEN:**

- (1) *[Insert the name of the Additional Chargor]* (registered in *[insert jurisdiction of incorporation]* under number *[insert registered number]*) (the "**Additional Chargor**"); and
- (2) *[Insert the name of the Security Agent]* (the "**Security Agent**").

**WHEREAS:**

- (A) This Deed of Accession is supplemental to a debenture (the "**Debenture**") dated *[date]* between (1) *[name]* and the other Chargors identified therein and (2) the Security Agent as agent and trustee for the Secured Parties named in the Debenture (the "**Secured Parties**").

*[Insert details of any previous Deed of Accession]*

- (B) The Additional Chargor has agreed to charge in favour of the Security Agent, on the terms contained in the Debenture, all of its property, undertaking and assets to secure the Secured Liabilities, and to accede to the Debenture.

**THIS DEED OF ACCESSION WITNESSES** as follows:

#### 1. DEFINITIONS AND INTERPRETATION

Words and phrases defined in the Debenture and principles of interpretation provided for in the Debenture shall, unless the context otherwise requires or unless otherwise re-defined below, have the same meaning and shall apply (as the case may be) in this Deed of Accession.

#### 2. ACCESSION BY THE ADDITIONAL CHARGOR

- 2.1 **Accession:** The Additional Chargor agrees to be bound by all the terms of the Debenture and to perform all obligations of a Chargor under, and in accordance with, the Debenture with effect from the date of this Deed of Accession, as if it had been an original party to the Debenture as a Chargor.
- 2.2 **Covenant to pay:** The Additional Chargor (as primary obligor and not merely as surety) covenants with the Security Agent that it shall pay or discharge the Secured Liabilities at the times and in the manner provided in the relevant Finance Documents.
- 2.3 **Proviso:** The covenants contained in this Clause 2 and the security created by this Deed of Accession shall not extend to or include any liability or sum which would otherwise cause any such covenant or security to be unlawful or prohibited by any applicable law (including, without limitation, any applicable financial assistance laws).

#### 3. CREATION OF SECURITY

##### 3.1 Land

- (a) The Additional Chargor charges:

- (i) by way of a first legal mortgage all estates or interests in any freehold or leasehold property in England and Wales now owned by it; this includes the real property (if any) specified in Schedule 1 (*Real Property*); and
  - (ii) (to the extent that they are not either the subject of a mortgage under paragraph (i) above or freehold or leasehold property in Scotland) by way of a first fixed charge all estates or interests in any freehold or leasehold property in England and Wales now or subsequently owned by it.
- (b) A reference in this Clause 3.1 (*Creation of Security*) to a mortgage or charge of any freehold or leasehold property includes:
- (i) all buildings, fixtures (including trade fixtures), fittings and fixed plant and machinery from time to time on or forming part of that property (in each case, other than those belonging to any landlord, tenant or occupant other than the Additional Chargor);
  - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the Additional Chargor in respect of that property to the extent held by the Additional Chargor or any moneys paid or payable in respect of those covenants; and
  - (iii) all Related Rights.

### **3.2 Plant and machinery**

To the extent that they are not the subject of a mortgage or a first fixed charge under Clause 3.1 (*Creation of Security*), the Additional Chargor charges by way of a first fixed charge all plant, and machinery, owned by it and its interest in any plant or machinery in its possession and all Related Rights.

### **3.3 Credit balances**

- (a) The Additional Chargor charges by way of a first fixed charge all of its rights in respect of any Charged Account, from time to time, any amount (including interest) standing to the credit of any Charged Account and the debt represented by it.
- (b) The Additional Chargor charges by way of a first fixed charge all of its rights in respect of any account it has in England and Wales with any person other than the accounts referred to in paragraph (a) above, any amount (including interest) standing to the credit of any such account and the debt represented by it.

### **3.4 Book debts etc.**

The Additional Chargor charges by way of a first fixed charge:

- (a) all of its book and other debts whether actual or contingent and whether originally owing to it or purchased or acquired by it;
- (b) all other moneys due and owing to it whether actual or contingent and whether originally owing to the Additional Chargor or purchased or acquired by it; and
- (c) the benefit of all rights of any nature in relation to any item under paragraphs (a) and (b) above.

### **3.5 Intellectual Property**

The Additional Chargor charges by way of a first fixed charge all its rights, title and interest from time to time in and to its Intellectual Property.

### 3.6 Insurances

- (a) The Additional Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights under any contract or policy of insurance taken out by it or on its behalf or in which it has an interest including, for the avoidance of doubt, any insurance proceeds (but excluding, in each case, contracts and policies of insurance which relate to liabilities to third parties) (together, the "Insurance Rights").
- (b) To the extent that they have not been effectively assigned under paragraph (a) above, the Additional Chargor charges by way of a first fixed charge all of its Insurance Rights.

### 3.7 Intragroup Debt

- (a) The Additional Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights under all of its Intragroup Debt (together, the "Intragroup Debt Rights").
- (b) To the extent that they have not been effectively assigned under paragraph (a) above, the Additional Chargor charges by way of a first fixed charge all of its Intragroup Debt Rights.

### 3.8 Other contracts

- (a) The Additional Chargor:
  - (i) assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights:
    - (A) under each Lease Agreement;
    - (B) in respect of all Rents (except the deposit and cash collaterals in respect of any rent deposits paid by the tenants); and
    - (C) under any guarantee of Rents, including the IHG Guarantee, contained in or relating to any Lease Agreement; and
  - (ii) charges by way of a first fixed charge all of its rights under any other document, agreement or instrument to which it is a party except to the extent that it is subject to any fixed security created under any other term of this Clause 3 (*Creation of Security*).
- (b) To the extent that they have not been effectively assigned under paragraph (a)(i) above, the Additional Chargor charges by way of a first fixed charge all of its rights listed under paragraph (a)(i) above.

### 3.9 Miscellaneous

The Additional Chargor charges by way of first fixed charge:

- (a) its goodwill;
- (b) the benefit of any Authorisation (statutory or otherwise) held in connection with its use of any Security Asset;
- (c) the right to recover and receive compensation which may be payable to it in respect of any Authorisation referred to in paragraph (b) above;
- (d) its uncalled capital; and

- (e) the benefit of all rights in relation to any item under paragraphs (a) to (d) above.

### 3.10 Floating charge

- (a) The Additional Chargor charges by way of a first floating charge:
  - (i) all its assets not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, fixed charge or assignment under this Clause 3 (*Creation of Security*); and
  - (ii) all of its Scottish Assets, whether or not effectively mortgaged, charged or assigned under this Deed.
- (b) Except as provided below, the Security Agent may by giving written notice to the Additional Chargor convert one or more floating charges created by this Clause 3.10 (*Floating charge*) into a fixed charge as regards any of the Additional Chargor's assets specified in that notice (but in relation to any Scottish Assets, only to the extent permitted by law) if:
  - (i) a General Event of Default is continuing; or
  - (ii) the Security Agent (acting reasonably) considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy,and any such conversion shall take effect immediately upon giving such written notice.
- (c) The floating charge created by this Clause 3.10 (*Floating charge*) may not be converted into a fixed charge solely by reason of:
  - (i) the obtaining of a moratorium; or
  - (ii) anything done with a view to obtaining a moratorium,under section 1A of the Insolvency Act 1986.
- (d) The floating charge created by this Clause 3.10 (*Floating charge*) will (in addition to the circumstances when this may occur under the general law) automatically (without notice) convert into a fixed charge over all of the Additional Chargor's assets (but in relation to any Scottish Assets, only to the extent permitted by law) if:
  - (i) an administrator is appointed or any step intended to result in such appointment is taken;
  - (ii) the Additional Chargor creates or attempts to create any Security over all or any of the Security Assets save as expressly permitted under the Facility Agreement;
  - (iii) any person levies or attempts to levy any distress, execution or other process against any of the Security Assets; or
  - (iv) a resolution is passed or an order is made for the winding up, dissolution, administration or other reorganisation of the Additional Chargor.
- (e) The floating charge created by this Clause 3.10 (*Floating charge*) is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- (f) Paragraph 14 of Schedule B1 to the Insolvency Act shall apply to this Deed and the Security Agent may appoint an administrator to the Additional Chargor pursuant to that paragraph.

- (g) The floating charge created by paragraph (a) above shall be deferred in point of priority to the Scottish Floating Charge.

### **3.11 Fixed Security**

Clauses 3.1 (*Land*) to 3.9 (*Miscellaneous*) (inclusive) do not extend to assets which are validly secured in terms of a Fixed Scottish Security and shall not create mortgages, fixed charges or assignments by way of security over any asset validly secured pursuant to such Fixed Scottish Security.

## **4. PERFECTION**

The Additional Chargor undertakes to carry out each of the actions described in Clause 6 (*Land*) to 10 (*Other contracts*) of the Debenture in respect of its Security Assets as if it has been an original party to the Debenture.

## **5. POWER OF ATTORNEY**

- 5.1 Appointment of attorney:** During the Security Period, the Additional Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their respective delegates or sub-delegates to be its attorney with the full power and authority of it to, at any time after the occurrence of a General Event of Default and whilst the same is continuing, execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case which may be required or which any attorney may in its absolute discretion deem necessary for carrying out any obligation of it under or pursuant to this Deed or generally for enabling the Security Agent or any Receiver to exercise the respective powers conferred on them under this Deed or by law.
- 5.2 Ratification:** The Additional Chargor ratifies and confirms all actions any attorney does or purports to do under its appointment under Clause 5 (*Power of Attorney*), provided such acts were not carried out by the attorney with fraud, gross negligence, wilful misconduct or illegality.

## **6. NOTICES**

All notices or demands to be given or made pursuant to this Deed of Accession shall be given or made in the manner set out in Clause 33 (*Notices*) of the Facility Agreement.

## **7. COUNTERPARTS**

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

## **8. GOVERNING LAW**

This Deed of Accession and any non-contractual obligations arising out of or in connection with it shall be governed by, construed and take effect in accordance with English law.

## **9. JURISDICTION**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of, or in connection with this Deed of Accession (including any dispute relating to the existence, validity or termination of this Deed of Accession) or any non-contractual obligation arising out of or in connection with this Deed of Accession (a "**Dispute**").
- (b) The parties to this Deed of Accession agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party to this Deed of Accession will argue to the contrary.

- (c) This Clause 9 (*Jurisdiction*) is for the benefit of the Security Agent only. As a result, the Security Agent is not prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

#### **10. FINANCE DOCUMENT**

This Deed of Accession is a Finance Document.

**THIS DEED OF ACCESSION** has been executed by the Additional Chargor as a deed and signed by the Security Agent and it shall take effect on the date stated at the beginning of this Deed of Accession.

**SCHEDULE 1 TO DEED OF ACCESSION**  
**REAL PROPERTY**

Asset Details


## EXECUTION

### THE ADDITIONAL CHARGOR

EXECUTED as a DEED by

[•] )  
acting by Patrick Bour )

Sole Director

In the presence of:

Witness's signature:

Name:

Address:

Notices:

Address: Foncière des Murs  
c/o COVIVIO  
18, avenue François Mitterrand  
57000 Metz

Attention: Isabelle PEPIN / Ludovic SAUTRE

Fax: +33 (0)8 21 20 04 57

Email: [tresorerie@covivio.fr](mailto:tresorerie@covivio.fr)

With respect to any other notification:

Address: Foncière des Murs  
c/o COVIVIO  
30, avenue Kleber  
75208 Paris Cedex 16

Attention: Sandrine DEFOORT

Fax: +33 (0)8 21 20 04 75

Email: [financement@covivio.fr](mailto:financement@covivio.fr)

**SECURITY AGENT**

**Executed as a deed by CREDIT AGRICOLE CORPORATE & INVESTMENT BANK, a *société anonyme* organized in France, acting by [•] and [•] who, in accordance with the laws of that territory, are acting under the authority of the *société anonyme*.**

Signature in the name of the *société anonyme*

.....

Signature of Authorised signatories

.....

.....

## SIGNATORIES

### Chargors

EXECUTED as a DEED by BLYTHSWOOD  
SQUARE HOTEL GLASGOW LIMITED acting by  
Patrick Bour

Sole Director

In the presence of:

Witness's signature:

Name: *MATTHEW GRAY*

Address:

MACFARLANES LLP  
20 CURSITOR STREET  
LONDON

### Notices regarding a payment under this Deed:

Address: Foncière des Murs  
c/o COVIVIO  
18, avenue François Mitterrand  
57000 Metz

Attention: Isabelle PEPIN / Ludovic SAUTRE

Fax: +33 (0)8 21 20 04 57

Email: [tresorerie@covivio.fr](mailto:tresorerie@covivio.fr)

### With respect to any other notification:

Address: Foncière des Murs  
c/o COVIVIO  
30, avenue Kleber  
75208 Paris Cedex 16

Attention: Sandrine DEFOORT

Fax: +33 (0)8 21 20 04 75

Email: [financement@covivio.fr](mailto:financement@covivio.fr)

EXECUTED as a DEED by LAGONDA RUSSELL  
PROPCO LIMITED acting by Patrick Bour

Sole Director

In the presence of:

Witness's signature:

Name: *MATTHEW GRAY*

Address:

MACFARLANES LLP  
20 CURSITOR STREET  
LONDON  
EC4A 1LT

Notices regarding a payment under this Deed:

Address: Foncière des Murs  
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18, avenue François Mitterrand  
57000 Metz

Attention: Isabelle PEPIN / Ludovic SAUTRE

Fax: +33 (0)8 21 20 04 57

Email: [tresorerie@covivio.fr](mailto:tresorerie@covivio.fr)

With respect to any other notification:

Address: Foncière des Murs  
c/o COVIVIO  
30, avenue Kleber  
75208 Paris Cedex 16

Attention: Sandrine DEFOORT

Fax: +33 (0)8 21 20 04 75

Email: [financement@covivio.fr](mailto:financement@covivio.fr)

EXECUTED as a DEED by LAGONDA PALACE  
PROPCO LIMITED acting by Patrick Bour

Sole Director

In the presence of:

Witness's signature:

Name: MATTHEW GRAY

Address:

MACFARLANES LLP  
20 CURSITOR STREET  
LONDON  
EC4A 3LT

Notices regarding a payment under this Deed:

Address: Foncière des Murs  
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18, avenue François Mitterrand  
57000 Metz

Attention: Isabelle PEPIN / Ludovic SAUTRE

Fax: +33 (0)8 21 20 04 57

Email: [tresorerie@covivio.fr](mailto:tresorerie@covivio.fr)

With respect to any other notification:

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c/o COVIVIO  
30, avenue Kleber  
75208 Paris Cedex 16

Attention: Sandrine DEFOORT

Fax: +33 (0)8 21 20 04 75

Email: [financement@covivio.fr](mailto:financement@covivio.fr)

EXECUTED as a DEED by LAGONDA YORK  
PROPCO LIMITED acting by Patrick Bour

Sole Director

In the presence of:

Witness's signature:

Name:

MATTHEW GRAY

MACFARLANES LLP  
20 CURSITOR STREET  
LONDON  
EC4A 3DF

Address:

Notices regarding a payment under this Deed:

Address:

Foncière des Murs  
c/o COVIVIO  
18, avenue François Mitterrand  
57000 Metz

Attention:

Isabelle PEPIN / Ludovic SAUTRE

Fax:

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Email:

[tresorerie@covivio.fr](mailto:tresorerie@covivio.fr)

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Address:

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75208 Paris Cedex 16

Attention:

Sandrine DEFOORT

Fax:

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Email:

[financement@covivio.fr](mailto:financement@covivio.fr)

EXECUTED as a DEED by LAGONDA LEEDS  
PROPCO LIMITED acting by Patrick Bour

Sole Director

In the presence of:

Witness's signature

Name:

MATTHEW GRAY

MACFARLANES LLP  
20 CURSITOR STREET  
LONDON  
EC4A 1LT

Address:

Notices regarding a payment under this Deed:

Address:

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57000 Metz

Attention:

Isabelle PEPIN / Ludovic SAUTRE

Fax:

+33 (0)8 21 20 04 57

Email:

[tresorerie@covivio.fr](mailto:tresorerie@covivio.fr)

With respect to any other notification:

Address:

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c/o COVIVIO  
30, avenue Kleber  
75208 Paris Cedex 16

Attention:

Sandrine DEFOORT

Fax:

+33 (0)8 21 20 04 75

Email:

[financement@covivio.fr](mailto:financement@covivio.fr)

EXECUTED as a DEED by GEORGE HOTEL  
INVESTMENTS LIMITED acting by Patrick Bour

Sole Director

In the presence of:

Witness's signature:

Name:

MATTHEW GRAY

MACFARLANES LLP  
20 CURSITOR STREET  
LONDON  
EC4A 3LT

Address:

Notices regarding a payment under this Deed:

Address: Foncière des Murs  
c/o COVIVIO  
18, avenue François Mitterrand  
57000 Metz

Attention: Isabelle PEPIN / Ludovic SAUTRE

Fax: +33 (0)8 21 20 04 57

Email: [tresorerie@covivio.fr](mailto:tresorerie@covivio.fr)

With respect to any other notification:

Address: Foncière des Murs  
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30, avenue Kleber  
75208 Paris Cedex 16

Attention: Sandrine DEFOORT

Fax: +33 (0)8 21 20 04 75

Email: [financement@covivio.fr](mailto:financement@covivio.fr)

EXECUTED as a DEED by THE ST DAVID'S  
HOTEL CARDIFF LIMITED acting by Patrick  
Bour

Sole Director

In the presence of:

Witness's signature:

Name: MATTHEW GRAY

Address:

MACFARLANES LLP  
20 CURSITOR STREET  
LONDON

Notices regarding a payment under this Deed:

Address: Foncière des Murs  
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18, avenue François Mitterrand  
57000 Metz

Attention: Isabelle PEPIN / Ludovic SAUTRE

Fax: +33 (0)8 21 20 04 57

Email: [tresorerie@covivio.fr](mailto:tresorerie@covivio.fr)

With respect to any other notification:

Address: Foncière des Murs  
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30, avenue Kleber  
75208 Paris Cedex 16

Attention: Sandrine DEFOORT

Fax: +33 (0)8 21 20 04 75

Email: [financement@covivio.fr](mailto:financement@covivio.fr)

EXECUTED as a DEED by WOTTON HOUSE  
PROPERTIES LIMITED acting by Patrick Bour

Sole Director

In the presence of:

Witness's signature:

Name:

MATTHEW GRAY

MACFARLANES LLP  
20 CURSITOR STREET  
LONDON  
EC4A 1LT

Address:

Notices regarding a payment under this Deed:

Address:

Foncière des Murs  
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57000 Metz

Attention:

Isabelle PEPIN / Ludovic SAUTRE

Fax:

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Email:

[tresorerie@covivio.fr](mailto:tresorerie@covivio.fr)

With respect to any other notification:

Address:

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30, avenue Kleber  
75208 Paris Cedex 16

Attention:

Sandrine DEFOORT

Fax:

+33 (0)8 21 20 04 75

Email:

[financement@covivio.fr](mailto:financement@covivio.fr)

EXECUTED as a DEED by ROXBURGHE  
INVESTMENTS PROPCO LIMITED acting by  
Patrick Bour

Sole Director

In the presence of:

Witness's signature:

Name: *MATTHEW GRAY*

MACFARLANES LLP  
20 CURSITOR STREET  
LONDON  
EC4A 3DF

Address:

Notices regarding a payment under this Deed:

Address: Foncière des Murs  
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57000 Metz

Attention: Isabelle PEPIN / Ludovic SAUTRE

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Attention: Sandrine DEFOORT

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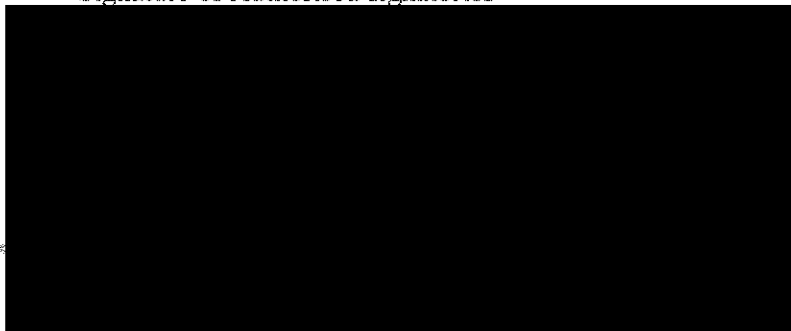
## Security Agent

Executed as a deed by CREDIT AGRICOLE CORPORATE & INVESTMENT BANK, a *société anonyme* organized in France, acting by Isabelle Jourdanne-Sirol and Pierre-Henri Brugeron who, in accordance with the laws of that territory, are acting under the authority of the *société anonyme*.

Signature in the name of the *société anonyme*

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK

Signature of Authorised signatories



### Notices:

Address: 12, Place des Etats-Unis, CS 70052, 92547 MONTROUGE Cedex

Attention: Frédérique DEJEAN / Dominique MEILHOC

Fax: +33.1.41.89.49.57

Email: frederique.dejean@ca-cib.com / dominique.meilhoc@ca-cib.com

Tel : +33 (0)1.41.89.04.37 / +33 (0)1.41.89.30.90