



**Registration of a Charge**

Company name: **CITY AND COUNTRY HOTELS LIMITED**

Company number: **05400112**



X822H0H6

Received for Electronic Filing: **26/03/2019**

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**Details of Charge**

Date of creation: **20/03/2019**

Charge code: **0540 0112 0003**

Persons entitled: **HSBC BANK PLC**

Brief description:

**Contains fixed charge(s).**

**Contains floating charge(s) .**

**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.**





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

Company number: 5400112

Charge code: 0540 0112 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 20th March 2019 and created by CITY AND COUNTRY HOTELS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 26th March 2019 .

Given at Companies House, Cardiff on 27th March 2019

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



**Companies House**



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

DATED 20 March 2019

- (1) CITY AND COUNTRY HOTELS LIMITED  
as Chargor
- (2) HSBC BANK PLC  
as Security Agent

**CONFIRMATORY SECURITY AGREEMENT  
(LANGLEY PARK HOUSE HOTEL)**



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THIS CONFIRMATORY SECURITY AGREEMENT is made by way of deed on 20 March 2019

**BETWEEN:**

- (1) **CITY AND COUNTRY HOTELS LIMITED**, a private limited company incorporated and existing under the laws of England and Wales with registered number 05400112 and whose registered office is at 11 Berkeley Street, 2<sup>nd</sup> Floor, London W1J 8DS (the "**Chargor**"); and
- (2) **HSBC BANK PLC** as agent and security agent for and on behalf of itself and the other Finance Parties (the "**Security Agent**", which expression shall include all successor agents and/or security trustees appointed from time to time).

**WHEREAS:**

- (A) The parties to the Facility Agreement (as defined below) agreed to amend and restate the Facility Agreement on the terms and conditions contained in a Restatement Deed (defined below).
- (B) The entry into this Deed is a condition precedent pursuant to the Restatement Deed.
- (C) Accordingly, the parties hereto now wish to enter into this Deed which is in addition to the Existing Security Agreement (defined below) and which secures in favour of the Security Agent, the Charged Assets.
- (D) A replacement Opco Licence has been granted and this Deed is entered into to secure the Chargor's rights under the replacement Opco Licence.
- (E) The Chargor further considers and intends that the Security created under the Existing Security Agreement secures the payment, performance and discharge of the Secured Liabilities (as defined below) but additionally enters into this Deed: (a) in case it (for any reason) does not and (b) to take effective security therefor.
- (F) This Deed is in addition to and supplemental to the Existing Security Agreement and the other Finance Documents. The parties hereto do not intend that this Deed (and this Deed shall not nor shall it be deemed to) substitute, replace, revoke, cause to be released or discharge (nor shall it merge with) the Existing Security Agreement and/or the other Finance Documents.
- (G) The Chargor enters into this Deed to secure the payment, performance and discharge of the Secured Liabilities (as defined below).

- (H) The Chargor's directors are satisfied that entering into and performing this Deed is in the best interests, and for the commercial purposes and corporate benefit, of the Chargor's business.
- (I) It is intended by the parties hereto that this document take effect as a deed notwithstanding the fact that the Security Agent may only execute this document under hand.

NOW THIS DEED WITNESSES AND IT IS AGREED as follows:

## 1 INTERPRETATION

### 1.1 Definitions

In this Deed:

"Act" means the Law of Property Act 1925;

"Account" means the current accounts (being separately designated and segregated collection accounts), together designated the "Hotel Operating Account", as may be specified and opened in accordance with the Facility Agreement, and includes:

- (i) any account which is a successor to the Hotel Operating Account or any re-numbering or re-designation of such accounts; and
- (ii) any account into which all or part of a balance is transferred for investment or administration purposes;

each an "Account" and together the "Accounts";

"Account Bank" has the meaning ascribed to it in the Facility Agreement;

"Borrower" has the meaning ascribed to it in the Facility Agreement;

"Borrower Property" has the meaning ascribed to it in the Facility Agreement;

"Causes of Action" means all causes of action (including for breach of warranty or representation) and other rights and remedies which the Chargor has or may have in relation to the Charged Assets including those against its professional and other advisers and contractors;

"Charged Assets" means each Opco Licence, any Re-characterised Interest, the Chargor's interest in the Hotel, the Mortgaged Property and all other assets and undertaking of the Chargor from time to time mortgaged, charged or assigned (or intended to be mortgaged, charged or assigned) by way of fixed



and/or floating security or other Security under this Deed as security for the payment, performance or discharge of all or any part of the Secured Liabilities, and "Charged Asset" shall be construed accordingly;

"Compensation Payment" means monies paid or payable in connection with the Charged Assets by way of compensation, endowment, gift, grant or otherwise;

"Default Rate" means the rate of interest calculated in accordance with the default interest provisions contained in clause 8.5 (*Default Interest*) of the Facility Agreement;

"Development Documents" has the meaning ascribed to it in the Facility Agreement (and includes, without limitation, any variation to any Building Contract);

"Duty of Care and Direct Agreement" has the meaning ascribed to it in the Facility Agreement;

"Duty of Care Letter" has the meaning ascribed to it in the Facility Agreement;

"Existing Security Agreement" means the security agreement dated 21 March 2017 made between the Chargor and the Security Agent;

"Facility" has the meaning ascribed to it in the Facility Agreement;

"Facility Agreement" means the facility agreement dated 21 March 2017 originally between the Borrower, City and Country Hotels Limited as Opco and HSBC Bank plc as Agent, Arranger, Original Lender and Security Agent (as varied, restated and/or amended from time to time, including on or about the date hereof pursuant to the Restatement Deed);

"Financial Collateral" has the meaning ascribed to it in the Regulations;

"Fixtures" means all fixtures and fittings (including those of trade) and fixed plant and machinery on the Mortgaged Property in each case belonging to the Chargor;

"Franchise Agreement" has the meaning ascribed to it in the Facility Agreement;

"Headlease" means a lease under which the Borrower holds title to the Property;

"Hotel" has the meaning ascribed to it in the Facility Agreement;

"Insurances" has the meaning ascribed to it in the Facility Agreement;

"Material Contract" means:

(a) any Opco Licence;

- (b) any Franchise Document;
- (c) any other document designated as such by the Security Agent and the Chargor from time to time;

including, in each case, any amendment or restatement thereof (however fundamental) or supplement thereto and any agreement extending the maturity thereunder, increasing any amount payable thereunder, changing the basis for calculation of a payment thereunder or introducing new or additional obligations thereunder (whether or not more onerous), and "**Material Contracts**" shall be construed accordingly;

"**Mortgaged Property**" means all freehold, commonhold and leasehold property (including, where the context admits, the Premises) the subject of (or intended to be the subject of) the security created or intended to be created by this Deed (including in particular the Property);

"**Opco Licence**" has the meaning ascribed to it in the Facility Agreement;

"**Opco Licence Fees**" means the sums payable by the Chargor to the Borrower pursuant to clauses 4.1.1 and 4.1.2 of the Opco Licence;

"**Permitted Hotel**" has the meaning ascribed to it in the Facility Agreement;

"**Permitted Hotel Asset**" means a Permitted Hotel and any asset that relates solely and exclusively to the operation of a Permitted Hotel by the Chargor but only to the extent that the relevant asset does not relate to the operation of the Hotel by the Chargor or otherwise relates to a Charged Asset;

"**Premises**" means any building or other edifice on or forming part of the Property or other Charged Asset;

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

"**Receiver**" means a receiver or a receiver and manager or (if the Security Agent so specifies in the relevant appointment) a receiver, in either case, appointed under this Deed and shall include, if permitted by law, an administrative receiver or an administrator;

"**Re-characterised Interest**" has the meaning ascribed to it in Clause 7.2(b);

"**Regulations**" means the Financial Collateral Arrangements (No.2) Regulations 2003;

"**Restatement Deed**" means the amendment and restatement deed to the Facility Agreement dated on or about the date hereof between, amongst others, the Borrower and the Security Agent;

"Secured Liabilities" means all past, present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally and whether as principal or as surety or in any other capacity whatsoever) of the Chargor and each other Transaction Obligor to any Secured Party under or in connection with each Finance Document (including, without limitation, this Deed);

"Security FCA" means a Security Financial Collateral Arrangement as defined in the Regulations;

"Security Period" means the period beginning on the date of this Deed and ending on the date on which the Security Agent is satisfied that the Secured Liabilities have been irrevocably and unconditionally satisfied in full and the Finance Parties are under no further obligation or liability under the Finance Documents;

"Subordinated Debt" has the meaning ascribed to it in the Facility Agreement;

"Subordinated Debt Documents" has the meaning ascribed to it in the Facility Agreement; and

"1995 Act" means the Landlord and Tenant (Covenants) Act 1995.

## 1.2 Construction

- (a) Capitalised terms defined in the Facility Agreement have the same meaning when used in this Deed unless otherwise defined herein.
- (b) The provisions of clause 1.2 (*Construction*) of the Facility Agreement apply to this Deed as if they were set out in full in this Deed, except that references to the Agreement therein will be construed as references to this Deed.
- (c) Any reference in this Deed to a mortgage, charge or assignment of any asset or property shall be construed so as to include:
  - (i) the proceeds of sale of any part of that asset or property, and any other monies paid or payable in respect of or in connection with that asset or property;
  - (ii) the benefit of any covenants for title given or entered into by any predecessor in title in respect of that asset or property and all other rights, benefits, claims, contracts, warranties, remedies, Security or indemnities in respect of that asset or property (including, in respect of the Mortgaged Property, under any Headlease); and
  - (iii) in respect of any Mortgaged Property, all Premises and Fixtures from time to time in or on that property or in the Borrower Property as applicable.

- (d) Any reference in this Deed to any party or person includes any person deriving title from it or any permitted successor, transferee or assignee (whether immediate or derivative).
- (e) References in this Deed to Clauses and Schedules are references to the clauses of and schedules to this Deed, and references in this Deed to Paragraphs are references to the paragraphs of the Schedules or to paragraphs of the definitions (if applicable), unless the context otherwise requires.
- (f) Where two or more persons purport to create Security over a Charged Asset under this Deed then:
  - (i) they (or such of them as have the joint interest in the relevant Charged Asset) shall be deemed to have jointly mortgaged, charged and/or assigned, as appropriate, their joint interest in the relevant Charged Asset;
  - (ii) each person shall be deemed to have mortgaged, charged and/or assigned, as appropriate, its individual interest (if any) in the relevant Charged Asset; and
  - (iii) each person shall be deemed to have confirmed the Security granted by the others.
- (g) Pursuant to, and in accordance with, the definition of "**Security Document**" in the Facility Agreement, the parties hereto hereby agree and confirm that this Deed shall be a Finance Document for all purposes.
- (h) In this Deed:
  - (i) statements referring to the Security Agent's capacity as agent and/or trustee for itself and the other Finance Parties; and
  - (ii) any statements referring to monies, obligations or liabilities owing to, or other rights, benefits or discretions granted or created under this Deed to, or covenants, undertakings or other agreements made in favour of, the Security Agent and/or the Finance Parties (as the case may be);

are by way of explanation or clarification only and shall not prejudice the meaning of "**Security Agent**" (or "**Finance Parties**", as the case may be) elsewhere in this Deed where such statements are not made.

- (i) "**reasonable endeavours**" includes payment by the relevant person of all its own and

any third party's reasonable costs, fees and expenses.

- (j) The fact that no, or incomplete, details of any properties or intellectual property assets, rights and interests are included in the relevant Schedule, does not affect the validity or enforceability of any Security constituted by this Deed.
- (k) **"Secured Liabilities"** includes, for the avoidance of doubt:
  - (i) any refinancing, further advances, novation, deferral, or extension of the facilities under the Finance Documents;
  - (ii) any claim for (a) breach of representation, warranty or undertaking or on any event of default or under any indemnity under or in respect of any Finance Document or (b) damages or restitution;
  - (iii) liabilities which would be treated as such but for the liquidation, administration or dissolution of, or similar event affecting, the Chargor, any other Transaction Obligor, or any other person, including without limitation:
    - (A) any claim as a result of any recovery by the Chargor, or any other person of a payment on the grounds of preference or otherwise; and
    - (B) any amounts which would be included as Secured Liabilities but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any such insolvency, dissolution or other proceedings.

### 1.3 Avoidance

If the Security Agent considers that any amount paid by the Chargor or any other Transaction Obligor or any other person in connection with the satisfaction of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation, bankruptcy or administration (whether out of court or otherwise) of the Chargor or any other Transaction Obligor or any other person, as applicable, or otherwise, then (a) the security constituted by this Deed shall continue and (b) that amount shall not be considered to have been irrevocably paid for the purpose of this Deed.

### 1.4 Disposition of Property

The terms of the other Finance Documents and of any agreement, document or side letter between the parties thereto are incorporated into each Finance Document (including this Deed) to the extent required for any purported disposition of any Mortgaged Property or any part thereof and any other relevant Charged Asset contained in any Finance Document to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

## 1.5 Permitted Hotel Assets

Notwithstanding any other provision of this Deed, and without prejudice to any Security created or purported to be created by or pursuant to this Deed in respect of the Charged Assets, any other security under any other Security Document, the Parties agree that the Security created in favour of the Security Agent by or pursuant to this Deed under Clause 3 (*Fixed Security*) or Clause 4 (*Floating Charge*) will not extend to any Permitted Hotel Asset.

## 2 CONFIRMATION

Each of the parties hereto, without prejudice to, and in addition to, the provisions of Clause 3 (*Confirmations*) of the Restatement Deed and the other provisions of this Deed, acknowledges, confirms and agrees that:

- (a) all the Security created by the Chargor under this Deed in respect of the Opco Licence secures the Secured Liabilities;
- (b) all the Security created by the Chargor under this Deed is further created (a) in case and to the extent that the Security created by the Existing Security Agreement does not for any reason secure all of the Secured Liabilities and (b) in order to secure the Secured Liabilities;
- (c) all the Security created by the Chargor under this Deed is created in addition to the Security created by the Existing Security Agreement (which, for the avoidance of doubt, is intended to extend to all of the Secured Liabilities (including as consolidated and/or varied by or pursuant to the Restatement Deed)); and
- (d) (for the avoidance of doubt) by entering into this Deed the Existing Security Agreement shall not be (nor shall it be construed or deemed to be), released, discharged, terminated, substituted, replaced or revoked in any respect (nor shall it merge with any other security).

### 3 FIXED SECURITY

#### 3.1 Charges

The Chargor, as continuing security for the payment, performance and discharge of the Secured Liabilities and in the manner specified in Clause 3.3:

- (a) charges in favour of the Security Agent (as agent and trustee for and on behalf of itself and the other Finance Parties) by way of first legal mortgage to the extent that the Chargor has a legal or other interest in land capable of being charged, the property specified in Schedule 1 (*Mortgaged Property*) by way of first legal mortgage or other mortgage or charge as appropriate as contemplated by this clause;
- (b) to the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 3.1(a), charges in favour of the Security Agent (as agent and trustee for and on behalf of itself and the other Finance Parties) by way of a first fixed charge all its rights, title, benefit and interest (both present and future) in, to and under:
  - (i) any Opco Licence;
  - (ii) any Re-characterised Interest in any Opco Licence;
  - (iii) any renewal, replacement or extension of an Opco Licence or any Re-characterised Interest that may arise at law, in equity, or otherwise;
  - (iv) to the extent that the Chargor has a legal or beneficial or equitable interest in land capable of being charged all estates and interests in any freehold, commonhold or leasehold property now or in the future belonging to it relating to the Hotel;
  - (v) (to the extent not assigned pursuant to Clause 3.1(a)) any agreement relating to the acquisition of the Mortgaged Property and the benefit of all agreements, contracts, deeds, undertakings, guarantees, warranties and other documents now or hereafter in existence in relation to the Mortgaged Property; and
  - (vi) all plant and machinery now or in the future belonging to it and its interest in any plant or machinery in its possession and in all Fixtures in each case on or in respect of the Hotel and Mortgaged Property;
- (c) charges in favour of the Security Agent (as agent and trustee for and on behalf of itself

and the other Finance Parties) by way of a first fixed charge all its rights, title, benefit and interest (both present and future) in, to and under:

- (i) (to the extent not assigned pursuant to Clause 3.1(a)) all of its benefits, claims and returns of premiums in respect of the Insurances in respect of the Charged Assets;
- (ii) (to the extent not assigned pursuant to Clause 3.1(a)) its rights under any appointment of any manager, hotel manager, managing agent and/or asset manager of the Mortgaged Property or the Premises from time to time;
- (iii) each Hotel Operating Account, all monies deposited in or standing to the credit of the Hotel Operating Account (together with any interest thereon), and the debts represented by such account;
- (iv) any other Account relating to the Hotel opened and maintained in England or Wales by the Chargor, all monies deposited in or standing to the credit of such Account (together with interest thereon), and the debts represented by such other Accounts;
- (v) all monies deposited in or standing to the credit of any other account opened and maintained in England and Wales from time to time, and any tenant's or rent deposit accounts to the extent of the Chargor's interest therein and (notwithstanding that the existence of such an account may be in breach of this Deed or any other Finance Document) with any person and the debts represented by them (and for the avoidance of doubt, only to the extent that they relate to the Charged Assets);
- (vi) its goodwill as it relates to the Hotel;
- (vii) its book and other debts and monetary claims, both uncollected and collected, the proceeds of the same and all monies otherwise due and owing to it, in each case relating to the Hotel;
- (viii) all rights, securities and guarantees of whatsoever nature enjoyed or held by it in relation to anything in Clause 3.1(b)(vii);
- (ix) all permissions of whatsoever nature and whether statutory or otherwise, held by it in connection with any Opco Licence, the Hotel and the Mortgaged Property



and the right to recover and receive all compensation which may be payable to it;

- (x) to the extent vested in it, of all building contracts, professionals' appointments, guarantees, warranties and representations given or made by any building contractors, professional advisers or any other person in relation to any Opco Licence, the Hotel and the Mortgaged Property, as well as in and to any Supply Contracts (as defined in the Opco Licence) including all rights and remedies available to it against such persons;
- (xi) its patents, trade marks, copyrights, registered or other designs (including, without limitation, designs relating to any construction works on the Mortgaged Property) and any other intellectual property assets or rights vested in it (including, without limitation, all rights to the Business Name and Business Rights as defined in the Opco Licence) and its rights in respect of any on-line booking system operated by the Chargor or any person on behalf of the Chargor or in respect of the Chargor's Business;
- (xii) in relation to the operation or management of the Hotel, an Opco Licence, or in connection with the Charged Assets, each VAT refund payable by HMRC to the Chargor (together with all rights to claim such VAT refund and the proceeds of any judgement awarded in favour of the Chargor in relation to such VAT refund);
- (xiii) (to the fullest extent permitted at law) all rights in respect of the proceeds of any order of the court made pursuant to sections 238(3), 239(3) or 244 of the Insolvency Act 1986, as may be properly attributable to the Hotel;
- (xiv) (to the extent not assigned pursuant to Clause 3.2(a)) the benefit of all present and future Authorisations (including the Relevant Consents) (statutory or otherwise) held by it in connection with the Hotel and/or the Chargor's business in respect of any Opco Licence, the Hotel and the Mortgaged Property (including the Business) or the use of any Charged Asset and the right to recover and receive all compensation that may be payable to it in respect of them;
- (xv) (to the extent not assigned pursuant to Clause 3.2(a)(x)) the Subordinated Debt, the Subordinated Debt Documents, and all monies payable and all monies paid to it under or in connection with the Subordinated Debt, in each case to the extent subject to English law;
- (xvi) (to the extent not assigned pursuant to Clause 3.2(a)(xi)) each Material Contract, including all monies payable to the Chargor and any claims, awards and

judgments in favour of or receivable or received by the Chargor, under or in connection with or pursuant to the Material Contracts;

- (xvii) (by way of floating charge) all implements, utensils, FF&E and other assets now or in the future placed on or used in or upon the Mortgaged Property or used in the operation of the Hotel; and
- (xviii) all assets which are specified in Clause 3.2 and are not capable of assignment and not otherwise charged pursuant to this Clause 3.1(b).

### 3.2 Assignment

- (a) The Chargor, in the manner specified in Clause 3.3 of this Deed, assigns and agrees to assign to the Security Agent (as agent and trustee for and on behalf of itself and the other Finance Parties) absolutely, subject to re-assignment on the expiry of the Security Period in accordance with Clause 19, as continuing security for the payment, performance and discharge of the Secured Liabilities all of its right, title, benefit and interest (both present and future) in, to and under:
  - (i) all rights, benefits and interests, and all claims, causes of action, payments and proceeds, in respect of the Opco Licence;
  - (ii) any Re-characterised Interest in respect of any Opco Licence;
  - (iii) any renewal, replacement or extension of any Opco Licence or any Re-characterised Interest that may arise at law, in equity, or otherwise;
  - (iv) all its rights (if any) under any Insurances relating to the Charged Assets to which the Chargor is otherwise entitled (including any claims or payments under, and returns of premiums in respect of such Insurances);
  - (v) all agreements, contracts, deeds, appointments, licences, undertakings, guarantees, covenants, warranties, representations and other documents (including all documents entered into now or in the future so as to enable the Security Agent (as agent and trustee for and on behalf of itself and the other Finance Parties) to perfect its rights under this Deed or any such agreement, contract, deed, licence, undertaking, guarantee, covenant, warranty, representation or other document) entered into by or given to the Chargor in respect of any Opco Licence, the Hotel, the Mortgaged Properties or any other

Charged Assets including all claims, remedies, awards or judgements paid or payable to the Chargor (including, without limitation, all liquidated and ascertained damages payable to the Chargor under the above), in each case, relating to all or any part of any Opco Licence, the Mortgaged Property or such Charged Assets;

- (vi) all licences (including constituted or required under the Relevant Consents) held now or in the future in connection with its business in respect of any Opco Licence, the Hotel or the Mortgaged Property (including the Business) carried on upon all or any part of the Mortgaged Property or pursuant to the Opco Licence and also the right to recover and receive all compensation which may at any time become payable to the Chargor under the Licensing Act 1964, the Licensing Act 2003 or any similar legislation;
  - (vii) all chattels hired, leased or rented by the Chargor to or from any person on or in respect of the Hotel or the Mortgaged Property together in each case with the benefit of the related hiring, leasing or rental contract and any guarantee, indemnity or other Security for the performance of the obligations of any person under or in respect of such contract, in each case as they relate to the Charged Assets;
  - (viii) all Causes of Action;
  - (ix) the benefit of any Compensation Payment;
  - (x) the Subordinated Debt, the Subordinated Debt Documents and all monies payable and all monies paid to it under or in connection with the Subordinated Debt in each case to the extent subject to English law; and
  - (xi) each Material Contract, including all moneys payable to the Chargor and any claims, awards and judgments in favour of or receivable or received by the Chargor, under or in connection with or pursuant to the Material Contracts.
- (b) To the extent that any such right, title, benefit and interest described in Clause 3.2(a) is not assignable or capable of assignment, such assignment purported to be effected by Clause 3.2(a) shall operate, as continuing Security for the payment, discharge, performance and satisfaction of the Secured Liabilities, as an assignment of any and all proceeds of such right, title, benefit or interest paid or payable thereunder save for any proceeds or other amounts properly payable to any third party and to which the Chargor

has no right, title, benefit or interest.

### 3.3 Title Guarantee

- (a) Every disposition effected by this Deed is made with full title guarantee.
- (b) The following provisions of the Law of Property (Miscellaneous Provisions) Act 1994 will not apply to Clauses 3.1, 3.2 or 4 (*Floating Charge*), being:
  - (i) the words "other than any charges, encumbrances or rights which that person does not and would not reasonably be expected to know about" in section 3(1);
  - (ii) the words "except to the extent that" and all the words thereafter in section 3(2); and
  - (iii) section 6(2).
- (c) The other terms of this Deed do not limit or extend any of the covenants implied by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994 but create separate and independent obligations having effect cumulatively with those implied covenants.

## 4 FLOATING CHARGE

### 4.1 Creation

The Chargor as continuing security for the payment, performance and discharge of the Secured Liabilities and in the manner specified in Clause 3.3 of this Deed charges in favour of the Security Agent (as agent and trustee for and on behalf of itself and the other Finance Parties) by way of a first floating charge the Charged Assets to the extent not otherwise validly and effectively mortgaged or charged by way of legal or equitable mortgage, fixed charge or assignment (whether at law or in equity) by Clause 3.

### 4.2 Conversion by Notice

The Security Agent may by notice to the Chargor convert the floating charge created by this Deed into a fixed charge in relation to all or any of the Charged Assets of the Chargor specified in the notice if:

- (a) the Security Agent has reasonable grounds for considering those assets to be in jeopardy, by legal process or otherwise;

- (b) an Event of Default has occurred and is continuing;
- (c) the Security Agent becomes aware or has reasonable ground to believe that all or any of the Chargor's Charged Assets specified in the notice may be sold or otherwise disposed of (other than in accordance with the Finance Documents);
- (d) the Security Agent has reasonable grounds for considering that converting the floating charge created by this Deed into a fixed charge is necessary in order to protect the priority of its Security in relation to all or any of the Chargor's Charged Assets specified in the notice;
- (e) the Security Agent becomes aware or has reason to believe that steps have been taken which would, in the reasonable opinion of the Security Agent, be likely to lead to the making of an application to appoint an administrator (whether out of court or otherwise) in relation to the Chargor (or that such an application has been made, or that such an administrator has been appointed) or the presentation of a petition to wind up the Chargor (or that such a petition has been presented or that a liquidator has been appointed); and/or
- (f) steps have been taken to appoint an administrator of the Chargor (whether out of court or otherwise).

#### 4.3 Automatic Conversion

- (a) The floating charge created by this Deed shall (in addition to the circumstances in which the same will occur under general law) automatically be converted (without notice) with immediate effect into a fixed charge over the Charged Assets on the convening of any meeting of the members of the Chargor to consider a resolution to wind up the Chargor (or not to wind up the Chargor) or on the convening of any meetings of the directors or members of the Chargor for the purposes of considering any resolution or application for putting the Chargor into administration (whether out of court or otherwise).
- (b) If:
  - (i) the Chargor breaches or takes any steps with a view to breaching any provision of Clause 7.8 (*Restrictions on Dealings*) in respect of any of the Charged Assets which are subject to an uncrystallised floating charge under this Deed; and/or
  - (ii) any person levies or attempts to levy any distress, attachment, execution or other

legal process (including any Commercial Rent Arrears Recovery) against any such Charged Assets; and/or

- (iii) any person presents or makes an application for a warrant of execution, writ of fieri facias, garnishee order or charging order in respect of any such Charged Assets;

then the floating charge created by this Deed over the Charged Assets to which the breach or step or levy or application relates shall (without prejudice to any law which may have a similar effect) automatically be converted (without notice) with immediate effect into a fixed charge over such assets as soon as that breach occurs or step is taken or levy or application is made.

#### 4.4 No Waiver

The giving by the Security Agent of a notice pursuant to Clause 4.2 in relation to any class of the Chargor's assets, rights and property shall not be construed as a waiver or abandonment of the Security Agent's rights to give other similar notices in respect of any other class of Charged Assets or any of the rights of the Security Agent or any Finance Party under any Finance Document.

#### 4.5 Re-conversion

The Security Agent may, at any time in its absolute discretion, by notice in writing to the Chargor, re-convert any charge which has crystallised under Clause 4.2 (*Conversion by notice*) or Clause 4.3 (*Automatic conversion*) into a floating charge in relation to the Charged Assets specified in the notice.

### 5 PROVISIONS AS TO SECURITY

#### 5.1 Perfection of Security

The Chargor shall take such action as is available to it:

- (a) to create, perfect and protect the Security constituted or intended to be constituted under this Deed;
- (b) to maintain the Security constituted or intended to be constituted under this Deed; and

- (c) to make all filings and registrations and to take all such other steps as may be necessary in connection with the creation, perfection or protection of the Security constituted or intended to be constituted under this Deed.

## 5.2 Deposit of Title Deeds

The Chargor shall immediately upon the execution of this Deed (or upon coming into the possession of the Chargor at any time) deposit with the Security Agent (or procure that the Chargor's solicitors provide an acceptable undertaking to the Security Agent to hold to its order) all deeds, certificates and other documents constituting or evidencing title to the Charged Assets.

## 5.3 Memorandum of Charge

The Chargor shall promptly upon request by the Security Agent and at the Chargor's cost:

- (a) affix to such items of the Charged Assets; and/or
- (b) endorse on any documents evidencing title to the Charged Assets;

notice of the Security intended to be constituted under this Deed or which otherwise secures all or any part of the Secured Liabilities in such form as the Security Agent may require.

## 6 REPRESENTATIONS AND WARRANTIES

### 6.1 Making of Representations and warranties

In addition to the representations set out in clause 19 (*Representations*) of the Facility Agreement, the Chargor makes the representations and warranties set out in this Clause 6 to the Security Agent (as agent and trustee for and on behalf of itself and the other Finance Parties). The representations and warranties so set out are made on the date of this Deed and are deemed to be repeated by the Chargor throughout the Security Period on each day that representations or warranties are repeated under clause 19.27 (*Repetition*) of the Facility Agreement with reference to the facts and circumstances then existing.

### 6.2 Accuracy of Information

As at the date of this Deed, the property and assets specified in the Schedules is all the property of that type relating to the Hotel in which the Chargor has an interest, whether direct or indirect.

### **6.3 Accounts**

The Chargor is the sole legal and beneficial owner of the Accounts and all monies deposited therein or standing to the credit thereof, each of which are free from any Security (other than pursuant to this Deed) and any other rights or interests in favour of third parties.

### **6.4 Assigned agreements**

All agreements, contracts, deeds, appointments, licences, undertakings, guarantees, covenants, warranties, representations and other documents assigned by the Chargor to the Security Agent pursuant to Clause 3.2 of this Deed are legal, valid, binding and (subject to the Legal Reservations) enforceable, and either contain no prohibitions on assignment or consent to assignment has been obtained.

### **6.5 Stamp duty**

No stamp or registration duty (other than registration fees payable at the Land Registry and at Companies House) or similar tax or charge is payable in its jurisdiction of incorporation in respect of this Deed.

## **7 UNDERTAKINGS**

### **7.1 Duration**

The undertakings in this Clause 7 shall remain in force throughout the Security Period and are given by the Chargor to the Security Agent (as agent and trustee for and on behalf of itself and the other Finance Parties).

### **7.2 Opco Licence**

(a) The Chargor shall at all times ensure that:

- (i) Opco has the benefit of a legally valid and enforceable Opco Licence;
- (ii) it does not do or allow to be done any act as a result of which the Opco Licence may be liable to termination or to be otherwise forfeited (save as may be expressly permitted or consented to under the Facility Agreement) and that it complies with the terms of an Opco Licence;



- (iii) it does not amend or agree to the amendment or variation of an Opco Licence (whether by conduct, or in writing or otherwise) without the prior written consent of the Security Agent; and
  - (iv) it renews each Opco Licence prior to the termination date (howsoever defined under an Opco Licence) of a preceding Opco Licence, as required pursuant to the Facility Agreement.
- (b) If any Opco Licence is deemed to be or is otherwise re-characterised as granting a tenancy, a lease or any other type of estate in land (legal or otherwise) or its validity is otherwise challenged in any way (the "**Re-characterised Interest**"), the Chargor must:
  - (i) immediately notify the Security Agent of the occurrence of any such event relating to the Re-characterised Interest and provide the Security Agent with any documentation or notices in connection with that event;
  - (ii) inform the Security Agent of any steps it has taken or it proposes to take in respect of the Re-characterised Interest to ensure that the Security created or purported to be created under this Deed and the other rights of the Finance Parties under the Finance Documents are not prejudiced in any way;
  - (iii) on demand by the Security Agent (and at the Chargor's expense) do all acts and things as the Security Agent may require to ensure that the rights of the Finance Parties under the Finance Documents are not prejudiced in any way, including (without limitation):
    - (A) agree to any amendment, waiver or surrender of an Opco Licence or the Re-Characterised Interest that the Security Agent may reasonably require or to take any other action that the Security Agent may reasonably require in respect of an Opco Licence, the Re-characterised Interest or the Property;
    - (B) do and execute (or re-execute) any and all further acts, deeds, documents and things as may be specified by the Security Agent to be necessary or advisable to:
      - 1) ensure the legality, validity and enforceability of the Security created or purported to be created under this Deed;

- 2) ensure that the Finance Parties benefit from Security in respect of any Opco Licence or the Re-characterised Interest; and
  - 3) protect the interests (whether immediate, derivative, via security, or otherwise) of the Security Agent and the Finance Parties under the Finance Documents.
- (c) The obligations of the Chargor under this Clause 7.2 are in addition to, and not in substitution for, any obligations of the Chargor under the rest of this Deed, or under the other Finance Documents.

### **7.3 Book Debts/Receipts, Gross Revenue and Opco Licence Fees**

The Chargor shall at its own cost take all action to diligently collect and realise (or procure to be collected and realised) in a proper and timely manner all book and other debts and monetary claims in respect of the Hotel and the Chargor's operation thereof and pay the proceeds thus realised into the Hotel Operating Account;

- (a) Subject to the terms of the Facility Agreement, the Duty of Care Letter and any Duty of Care and Direct Agreement, the Chargor shall pay all Gross Revenue and all Opco Licence Fees into the relevant Account as specified in the Facility Agreement or such separate and denominated account as the Security Agent may designate from time to time and, pending payment into such account, shall hold the proceeds thus realised and all Gross Revenue and all Opco Licence Fees upon trust for the Security Agent (as agent and trustee for and on behalf of itself and the other Finance Parties).
- (b) Without prejudice to Clause 7.8, the Chargor shall not, without the prior written consent of the Security Agent, release, exchange, compound, set-off or grant time or indulgence in respect of its book and other debts and monetary claims, or sell, factor, discount or otherwise deal with or dispose of them.

### **7.4 Notice to Tenants or Other Occupiers**

The Chargor shall, at the direction of the Security Agent from time to time, (in respect of each new tenant or other new occupier of the Mortgaged Property and any guarantor thereof) or at any time after the security constituted by this Deed has become enforceable (in respect of a tenant or other occupier of the Mortgaged Property and any guarantor thereof which has been the subject of a prior notice under this Deed or another Finance Document) give notice substantially in the form specified in Schedule 3 and shall use reasonable endeavours to procure that each recipient

promptly acknowledges that notice in the form specified in Schedule 3.

#### **7.5 Notice to Account Bank**

- (a) The Chargor shall, at the direction of the Security Agent from time to time, give notice to any Account Bank or any other bank, building society or other financial institution with whom any Account is held after the date of this Deed or at any time after the security constituted by this Deed has become enforceable in respect of any Account Bank or any other bank, building society or other financial institution with whom any Account or other bank account of the Chargor is held which has been the subject of a prior notice under this Deed or another Finance Document substantially in the form specified in Schedule 4 and shall use reasonable endeavours to procure that such Account Bank, bank, building society or other financial institution shall promptly acknowledge that notice in the form specified in Schedule 4.
- (b) Without prejudice to the foregoing, the Chargor shall, on the date of this Deed, provide the Security Agent with such notices with respect to any Account not held with the Security Agent as Account Bank (to the extent not provided previously), and the Security Agent is irrevocably and unconditionally authorised to forthwith deliver the same to the relevant bank.
- (c) The execution of this Deed by the Chargor shall constitute notice to the Account Bank (if it is also the Security Agent) of the charges created over the Accounts opened or maintained with the Account Bank.

#### **7.6 Notice to Insurers**

- (a) The Chargor shall, at the direction of the Security Agent from time to time (in respect of each insurer after the date of this Deed) or at any time after the security constituted by this Deed has become enforceable (in respect of an insurer which has been the subject of a prior notice under this Deed or another Finance Document), give notice to any insurers in respect of the Charged Assets substantially in the form specified in Schedule 5 and shall use reasonable endeavours to procure that each such insurer shall promptly acknowledge that notice in the form specified in Schedule 5.
- (b) Without prejudice to the foregoing, the Chargor shall, on the date of this Deed, provide the Security Agent with such notices in respect of each of the Insurances in respect of the Charged Assets in existence on such date (to the extent not provided previously), and the Security Agent is hereby irrevocably and unconditionally authorised to forthwith complete and deliver the same to the relevant insurer(s).

## **7.7 Notice to Contract Counterparties**

The Chargor shall, at the direction of the Security Agent from time to time, give notice to each counterparty to each Material Contract (in respect of each counterparty after the date of this Deed) and at any time after the security constituted by this Deed has become enforceable (in respect of a counterparty which has been the subject of a prior notice under this Deed or another Finance Document), and substantially in the form specified in Schedule 6 and shall use reasonable endeavours to procure that each such counterparty shall promptly acknowledge that notice substantially in the form specified in Schedule 6.

## **7.8 Restrictions on Dealings**

The Chargor shall not save as otherwise expressly permitted by or consented to under the Finance Documents:

- (a) create or permit to subsist any Security in relation to any of its assets; nor
- (b) (whether by a single transaction or a number of related transactions, and whether at the same time or over a period of time) sell, transfer, novate, grant (including granting any option), declare a trust of, lease, licence or otherwise dispose of (or purport to do any of the foregoing) any Charged Asset or any part thereof or permit the same to occur; nor
- (c) do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value to the Security Agent (as agent and trustee for and on behalf of itself and the other Finance Parties) of the Security constituted hereby and/or the value of the Charged Assets; nor
- (d) sell or otherwise dispose of any of its Charged Assets on terms whereby such Charged Asset is or may be leased to or re-acquired or acquired by it, or any other member of its group or sell or otherwise dispose of any of its receivables on recourse terms.

## **7.9 To comply with Laws relating to Charged Assets**

The Chargor shall comply with all obligations under any law or statute and all bye-laws and regulations relating to the whole or any part of the Charged Assets.

## **7.10 To provide Information**

The Chargor shall promptly provide to the Security Agent such information as the Security Agent may reasonably require about the Charged Assets and compliance by the Chargor with the terms of this Deed.

#### 7.11 Covenant to perform

- (a) The Chargor shall at all times comply with the express terms of this Deed.
- (b) If the Chargor fails to perform any of its obligations under this Clause 7 then the Security Agent may take such steps as it considers appropriate to procure the performance of such obligations and shall not thereby be deemed to be a mortgagee in possession and the costs and expenses incurred by the Security Agent shall be reimbursed by the Chargor on demand and until so reimbursed shall carry interest (both before and after judgement, bankruptcy, liquidation or administration) at the Default Rate from the date of the same being incurred to the date of payment.

#### 7.12 Accounts

The Chargor shall not, without the prior written consent of the Security Agent:

- (i) utilise, withdraw or otherwise transfer any monies (including interest) standing to the credit of any Account, other than expressly in accordance with the Facility Agreement;
- (ii) release, grant, time or indulgence or compound with any third party or suffer to arise any set-off or other adverse rights against any of the right, title, benefit and interest of the Chargor whatsoever present and future in any monies (including interest) standing to the credit of any Account; nor
- (iii) do or omit to do anything which may delay or prejudice the right of the Finance Parties to utilise, withdraw or transfer any monies (including interest) standing to the credit of any Account in accordance with the provisions of this Deed and the other Finance Documents.

### 8 WHEN SECURITY BECOMES ENFORCEABLE

The security constituted by this Deed shall become immediately enforceable and the power of sale and other powers conferred by section 101 of the Act, as varied or amended by this Deed, shall be immediately exercisable upon and at any time after the occurrence of any Event of Default which is continuing after which the Security Agent may in its absolute discretion enforce

all or any part of the security in any manner it sees fit or in accordance with the provisions of the Finance Documents.

## 9 ENFORCEMENT OF SECURITY

### 9.1 General

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due 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 the security constituted by this Deed.
- (c) The statutory powers of leasing conferred on the Security Agent are extended and varied so that, without the need to comply with any provision of sections 99 or 100 of the Act, the Security Agent is empowered to lease, make agreements for leases, accept surrenders of leases and licences and grant options as the Security Agent may think fit.

### 9.2 Right of Appropriation of Financial Collateral

To the extent that any of the Charged Assets constitute Financial Collateral and this Deed and the obligations of the Chargor under this Deed constitute a Security FCA, the Security Agent (as agent and trustee for and on behalf of itself and the other Finance Parties) shall have the right, at any time after the security constituted by this Deed has become enforceable, to appropriate all or any part of such Financial Collateral in or towards discharge of the Secured Liabilities. For this purpose, the parties agree that the value of such Financial Collateral shall be:

- (a) (in the case of cash) the amount standing to the credit of each bank account of the Chargor as the same may be secured hereunder pursuant to a Security FCA, together with any accrued but unpaid interest, at the time the right of appropriation is exercised; and
- (b) (in the case of securities as the same may be secured hereunder pursuant to a Security FCA) the market price of such securities determined by the Security Agent by reference to a public index or by such other process as the Security Agent may select (including independent valuation);

and, in each case, the parties hereby agree that the manner of valuation provided for in this Clause 9.2 shall constitute a commercially reasonable manner of valuation for the purposes of the Regulations. To the extent that any of the Charged Assets constitute Financial Collateral, the

Chargor hereby agrees that such Charged Assets shall be held or re-designated so as to be under the control of the Security Agent for the purposes of the Regulations.

### **9.3 Contingencies**

If the Security Agent enforces the security constituted by this Deed (whether by the appointment of a Receiver or otherwise howsoever) at a time when no amounts are due under the Finance Documents but at a time when amounts may or will become so due, the Security Agent (or the Receiver) may pay the proceeds of any recoveries effected by it into an interest bearing account or otherwise as directed by the Security Agent.

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

Neither the Security Agent nor any Receiver will be liable, by reason of entering into possession of a Charged 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 otherwise be liable.

### **9.5 Privileges**

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

### **9.6 Protection of third parties**

No person (including a purchaser) dealing with the Security Agent or a Receiver or its or his agents need enquire:

- (a) whether the Secured Liabilities have become payable; or
- (b) whether any power which the Security Agent or that Receiver may purport to exercise has become exercisable or is being properly exercised; or
- (c) whether any money remains due under the Finance Documents; or
- (d) how any money paid to the Security Agent or to the Receiver is to be applied.

## 9.7 Redemption of prior mortgages

At any time after the security constituted by this Deed has become enforceable, the Security Agent may, at the sole cost and expense of the Chargor (payable to the Security Agent on demand):

- (a) redeem any prior form of Security on or relating to any Charged Asset; and/or
- (b) procure the transfer of that form of Security to itself; and/or
- (c) settle and pass the accounts of any prior mortgagee, chargee or encumbrancer which once so settled and passed shall be conclusive and binding on the Chargor.

The Chargor shall on demand pay to the Security Agent all principal monies and interest and all costs, expenses and losses incidental to any such redemption or transfer made pursuant to this Clause 9.7.

## 10 RECEIVER AND ADMINISTRATOR

### 10.1 Appointment of Receiver or Administrator

- (a) At any time after the security constituted by this Deed becomes enforceable, or at any time if the Chargor so requests the Security Agent in writing, the Security Agent may, without further notice, appoint in writing under seal or in writing under its hand any one or more persons to be a Receiver of all or any part of the Charged Assets as if the Security Agent had become entitled under the Act to exercise the power of sale conferred under the Act.
- (b) At any time after the security constituted by this Deed becomes enforceable, without further notice the Security Agent (as agent and trustee for and on behalf of itself and the other Finance Parties) may apply to the court to appoint any one or more qualified persons to be an administrator of the Chargor.
- (c) In this Deed "qualified person" means a person who, under any applicable provision of the Insolvency Act 1986, is qualified to act as a receiver or as an administrative receiver or administrator of any such company.
- (d) Nothing in this Deed shall prejudice or limit any power, right or remedy available to an administrator at law.



## 10.2 Relationship with Security Agent

To the fullest extent permitted by law, any right, power or discretion conferred by this Deed (be it express or implied, and including (entirely without limitation) the power of sale under Clause 11.12 (*Sale of Assets*)) or by law upon a Receiver or mortgagee of any Charged Asset may, after the security created by this Deed has become enforceable, be exercised by the Security Agent (as agent and trustee for and on behalf of itself and the other Finance Parties) in relation to any Charged Asset either:

- (a) without first appointing a Receiver; or
- (b) notwithstanding the appointment of a Receiver.

## 10.3 Agent of the Chargor

For all purposes each Receiver is deemed to be the agent of the Chargor and accordingly is deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor alone shall be responsible for the Receiver's contracts, engagements, acts, commissions, omissions, defaults and losses and for liabilities incurred by him, and no Finance Party shall incur any liability of whatsoever nature (either to the Chargor or to any other person) by reason of the Security Agent making his appointment as a Receiver or for any other reason. The agency of the Receiver shall continue until the Chargor shall go into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Security Agent.

## 10.4 Removal

The Security Agent (as agent and trustee for and on behalf of itself and the other Finance Parties) may by writing under its hand (subject to any requirement for any order of the court in the case of an administrative receiver):

- (a) remove any Receiver appointed by it;
- (b) whenever it deems it expedient, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated; and
- (c) replace an administrator of the Chargor previously appointed by the Security Agent where there is a vacancy in such office.

## 10.5 Remuneration

The Security Agent may, subject to section 36 of the Insolvency Act 1986, fix the remuneration of any Receiver appointed by it without being limited to the maximum rate specified in section 109(6) of the Act.

## 11 POWERS OF RECEIVER

### 11.1 General

- (a) In addition to those conferred by the Act on any receiver appointed under the Act, each Receiver has, and is entitled to exercise, all of the rights, powers, remedies and discretions set out below in this Clause 11 and all other rights, powers, remedies and discretions conferred on any Receiver or the Security Agent elsewhere in this Deed.
- (b) If there is more than one Receiver holding office at the same time, unless the document appointing him states otherwise, each Receiver may exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receivers.
- (c) Every Receiver for the time being holding office by virtue of an appointment made by the Security Agent under this Deed shall have all the rights, powers and discretions conferred by the Act, the Insolvency Act 1986 and otherwise by law and shall have all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986.
- (d) A Receiver may, in the name of any Chargor if he so wishes:
  - (i) do all acts and things which he may consider expedient for realising any Charged Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or by law; and
  - (ii) exercise in relation to any Charged Asset all the powers, authorities and things which he would be capable of exercising as if he were its absolute beneficial owner (including, for the avoidance of doubt, the operation of any account (including, without limitation, any Account) in which the Chargor has any rights, title or interest (whether legal or beneficial)).

**11.2 Borrow Money**

A Receiver may raise and borrow money (either unsecured or on the security of any Charged Asset, either in priority to the security constituted by this Deed or otherwise) on any terms and for whatever purpose which he thinks fit. No person lending that money need enquire as to the propriety or purpose of the exercise of that power or to check the application of any money so raised or borrowed.

**11.3 Carry on Business**

A Receiver may carry on the business of any Chargor (including the Business) as he thinks fit.

**11.4 Compromise**

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of a Chargor or relating in any way to any Charged Asset.

**11.5 Delegation**

A Receiver may delegate his powers in accordance with Clause 14.

**11.6 Employees**

For the purposes of this Deed, a Receiver may:

- (a) appoint and discharge managers, officers, agents, accountants, servants, workmen and others upon such terms as to remuneration or otherwise as he may think proper; and
- (b) discharge any such persons appointed by any Chargor.

**11.7 Leases and Licences**

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

**11.8 Legal Actions**

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any Charged Asset as he considers expedient.

**11.9 Possession**

A Receiver may take immediate possession of, get in and collect any Charged Asset.

**11.10 Protection of Assets**

A Receiver may, in each case as he may think fit:

- (a) make and effect all repairs, renewals, and improvements, and effect, renew or increase any insurances, and do all other acts which the relevant Chargor might do in the ordinary conduct of its business be they for the protection or for the improvement of the Charged Assets;
- (b) commence and/or complete any building and/or reinstatement operations on the Mortgaged Property or other Charged Asset; and
- (c) apply for, obtain and maintain any planning permission, building regulation approval or any other permission, consent or licence.

**11.11 Receipts**

A Receiver may give valid receipts for all monies and execute all assurances and things which he may consider expedient for realising any Charged Asset.

**11.12 Sale of Assets**

A Receiver may sell, exchange, grant an option over, convert into money and realise, or otherwise dispose of any Charged Asset by public auction or private contract in any manner and on any terms which he thinks proper (including to any Subsidiary referred to below). The consideration for any such transaction may be nil, or may consist of cash, shares of profits or sums calculated by reference to profits or turnover, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit. Fixtures may be severed and sold or leased separately from the property containing them without the consent of the relevant Chargor. Any

such sale, exchange, grant, conversion, realisation of disposal may be on terms excluding or limiting liability of the Security Agent and/or the Receiver.

#### **11.13 Subsidiaries**

A Receiver may form a Subsidiary or Subsidiaries of the Chargor and transfer, lease, licence or otherwise dispose of to any such Subsidiary any Charged Asset (or part thereof); and a Receiver may grant security over the assets of any such Subsidiary.

#### **11.14 Services**

A Receiver may provide, or procure the provision of, all services (including without limitation heating, lighting and cleansing) which may be deemed expedient in relation to the occupation or management of the Charged Assets.

#### **11.15 Contracts**

A Receiver may enter into, grant, perform, repudiate, rescind, terminate, vary, modify, assign, sub-let, surrender, or novate any contract, agreement, option agreement, Occupational Lease, licence, building contract, management agreement, any franchise agreement (including any Franchise Document), development or construction contract, contractor's warranty, third party right, or professional appointment or otherwise for or which relates in any way to the Charged Assets.

#### **11.16 Landlord and Tenant**

A Receiver may make allowances to and rearrangements with any lessees, tenants or other persons from whom any rents and profits may be receivable and to exercise any powers and provisions conferred on a landlord or tenant (including without limitation any rights, powers and remedies of the Chargor (as tenant) under any Headlease, for the avoidance of doubt to the exclusion of the Chargor).

#### **11.17 Acquire Additional Property**

A Receiver may acquire or exchange any interest in any real or personal property which he may consider necessary or desirable to acquire in order to maintain or enhance the value of the Charged Assets or any part thereof and to grant or surrender easements, covenants and licences and to make exchanges and to enter into any agreements for the revision of boundaries.

**11.18 Rent Reviews**

A Receiver may implement, negotiate and agree rent reviews in such manner and upon such terms as the Receiver deems appropriate.

**11.19 Covenants, Guarantees and Indemnities**

A Receiver may enter into bonds, covenants, guarantees, commitments, indemnities and other obligations or liabilities as he thinks fit and make all payments needed to effect, maintain or satisfy such obligations and liabilities.

**11.20 VAT**

A Receiver may make such elections for VAT purposes as the Receiver in his absolute discretion thinks fit.

**11.21 Oppose Petitions and Applications**

A Receiver may take proceedings or any other step as it considers fit to oppose:

- (a) any petition to place the Chargor into liquidation, or provisional liquidation or an application for the appointment of an administrator (whether out of court or otherwise); or
- (b) the taking of any step or procedure under any other analogous insolvency or bankruptcy laws in any other jurisdiction in relation to the Chargor or any of its assets.

**11.22 Administrative costs**

A Receiver may pay the proper administrative charges of the Security Agent and/or any Finance Party in respect of time spent by their agents and employees in dealing with matters raised by the Receiver, or relating to the receivership of the Chargor or any Charged Assets.

**11.23 Insurance and Headleases**

A Receiver may, in each case as he sees fit, negotiate, liaise or agree any matters with the landlord of any Mortgaged Property (under any Headlease) and/or the insurer(s) of any Mortgaged Property or any Charged Asset in respect of, and/or take any step or action in connection with:

- (a) the application of any insurance proceeds under the Insurances of pursuant to any Headlease;

- (b) the reinstatement of any Mortgaged Property; and/or
- (c) the operation and management of the Hotel; and/or
- (d) any matters or actions ancillary thereto;

and shall have and may exercise (or refrain from exercising) all rights, powers and remedies of the Chargor (as tenant) under any Headlease, for the avoidance of doubt to the exclusion of the Chargor

#### **11.24 Opco Licence**

A Receiver may, in each case as he sees fit, negotiate, liaise or agree any matter with respect to the Opco Licence, and shall (if he so chooses) have rights to exercise or refrain from exercising all rights, powers and remedies of the Chargor (whether as landlord or tenant or licensor) thereunder (including all rights to seek or agree to any surrender).

#### **11.25 Duty of Care and Direct Agreement**

A Receiver may, in each case as he sees fit, exercise all rights, powers and discretions (whether of a Chargor or as are expressly or by implication vested in him) under the Duty of Care and Direct Agreement.

#### **11.26 Comfort Letter**

A Receiver may, in each case as he sees fit, exercise all rights, powers and discretions (whether of a Chargor or as are expressly or by implication vested in him) under the Comfort Letter.

#### **11.27 Intellectual property rights**

A Receiver may take all steps necessary to effect all registrations, renewals, applications and notifications, as the Receiver may in his discretion think prudent to maintain in force, or protect, any Chargor's intellectual property rights (including any Business Rights and Business Name (as defined in the Opco Licence)) and to deal with rights in respect of any on-line booking system operated by the Chargor or any person on behalf of the Chargor or in respect of the Chargor's Business

## 12 APPLICATION OF PROCEEDS

12.1 Subject to Clause 12.4, all amounts received or recovered by the Security Agent (as agent and trustee for and on behalf of itself and the other Finance Parties) or any Receiver after this Deed has become enforceable, or in connection with the realisation or enforcement of all or any part of this Deed (for the purposes of this Clause 12, the "**Recoveries**"), shall be applied (and the parties hereto shall direct or request any administrator to apply such monies) in the following order of priority (but without prejudice to the right of the Security Agent (as agent and trustee for and on behalf of itself and the other Finance Parties) to recover any shortfall from the Chargor):

- (a) in discharging any sums (including remuneration) owing to the Security Agent, any Receiver or any Delegate;
- (b) in payment of all costs and expenses incurred by the Agent, the Security Agent or any other Finance Party in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of this Deed, the Facility Agreement and the other Finance Documents; and
- (c) in payment to the Agent for application in payment of, or provision for, the Secured Liabilities in accordance with Clause 32.5 (*Partial payments*) of the Facility Agreement; and
- (d) (upon termination of the Security Period) in payment of the surplus (if any) to the Chargor or other person entitled to it.

12.2 Clause 12.1 overrides any appropriation made by the Chargor.

12.3 Clause 12.1 is subject to the claims of any person having at law prior rights thereto, and is by way of variation of the provisions of the Act.

12.4 The Security Agent may, in its discretion, hold any amount of the Recoveries in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) for later application under Clause 12.1 in respect of:

- (a) any sum to the Security Agent, any Receiver or any Delegate; and
- (b) any part of the Secured Liabilities;



that the Security Agent reasonably considers, in each case, might become due or owing at any time in the future.

### 13 EXPENSES AND INDEMNITY

13.1 The Chargor covenants to indemnify and to keep indemnified the Security Agent, each Finance Party and any Receiver (and any attorney, manager, delegate, agent or other appointee thereof (each a "Relevant Person")) (each of whom shall be entitled to be indemnified out of the Charged Assets) on demand (on a full indemnity basis) against all costs, expenses, charges, fees (including, without limitation, legal, accountancy, consultancy, and valuation fees, disbursements and out-of-pocket expenses), losses, liabilities and other sums (together "Losses") incurred by or on behalf of the Security Agent, a Finance Party or any Receiver or Relevant Person in the execution or purported execution of any of the powers, authorities or discretions vested in them pursuant hereto and against all actions, proceedings, costs, claims or demands in respect of any matter or thing done or omitted in relation to the Charged Assets (including, without limitation, any realisation thereof) (but excluding any losses caused directly by the gross negligence or wilful misconduct of the Relevant Person). All such costs, charges, losses, liabilities, expenses and other sums incurred by the Security Agent, a Finance Party or any Receiver or Relevant Person shall carry interest (as well after as before judgement, liquidation, administration (whether out of court or otherwise), winding-up or bankruptcy) at the Default Rate of interest from the date of the same being incurred to the date of payment.

13.2 The Chargor agrees, as a separate obligation, to indemnify the Security Agent and any Receiver (each of whom shall be entitled to be indemnified out of the Charged Assets) against any loss or liability which the Security Agent or any Receiver incurs as a consequence of:

- (a) the Security Agent or any Receiver receiving any amount in respect of the Chargor's liability under this Deed; or
- (b) that liability being converted into a claim, proof, judgement or order;

in a currency other than pounds sterling.

13.3 For the avoidance of doubt, the Chargor's obligations to any Relevant Person under Clause 13.1 shall be reduced by any recovery already indefeasibly actually made by that Relevant Person in respect of such Losses under any other provision of the Finance Documents.

## 14 DELEGATION

The Security Agent and any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by the Security Agent or any Receiver under this Deed. Any such delegation may be made upon the terms (including power to sub-delegate) and subject to any regulations which the Security Agent or such Receiver (as the case may be) may think fit. Neither the Security Agent nor any Receiver will be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate. References in this Deed to a Receiver or Security Agent shall be deemed to include delegates appointed in accordance with this Clause 14.

## 15 FURTHER ASSURANCES

15.1 The Chargor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):

- (a) to create, perfect, protect and maintain the Security created or intended to be created under or evidenced by this Deed (which may include the execution or re-execution of a mortgage, charge, assignment or other Security over all or any of the Charged Assets or for the exercise of any rights, powers and remedies of the Security Agent or the Finance Parties or a Receiver provided by or pursuant to this Deed or by law) including (without limitation) any of the actions set out in Clause 7.2 (Opco Licence) or any further steps in connection with any of those actions;
- (b) to confer on the Security Agent, or confer on the Finance Parties, Security over any property and assets of it related to the Hotel located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Security Documents; and/or
- (c) (if an Event of Default is continuing) to facilitate the realisation of the Charged Assets, the subject of the Transaction Security.

15.2 The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Finance Parties by or pursuant to this Deed.

- 15.3 The obligations of the Chargor under this Clause 15 shall be in addition to and not in substitution for (a) the covenants for further assurance deemed to be included herein by virtue of section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 and (b) Clause 18.4(d) (*Land*).

## 16 POWER OF ATTORNEY

- 16.1 The Chargor by way of security hereby irrevocably appoints the following, namely:

- (a) the Security Agent;
- (b) each and every person to whom the Security Agent shall from time to time have delegated the exercise of the power of attorney conferred by this Clause; and
- (c) any Receiver appointed hereunder and for the time being holding office as such;

jointly and also severally to be its attorney or attorneys with full power of substitution and in its name and otherwise on its behalf to do all acts and things and to sign, seal, execute, deliver, perfect and do all deeds, instruments, documents, acts and things which may be necessary or desirable for:

- (a) carrying out any obligation imposed on the Chargor by or pursuant to this Deed (including, but not limited to, the obligations of the Chargor under Clause 15 (Further Assurances) and the statutory covenant referred to in such Clause);
- (b) carrying out the operation or management of the Hotel where the Chargor fails to do so;
- (c) carrying out any action that the Security Agent, its delegates or any Receiver deems necessary or desirable in respect of any Opco Licence or any Re-characterised Interest at any time after the Security constituted by this Deed becomes enforceable;
- (d) carrying out any sale, lease or other dealing by the Security Agent, its delegates or any Receiver into effect;
- (e) conveying or transferring any legal estate or other interest in land or transferring ownership or title in any other Charged Assets or otherwise howsoever;
- (f) getting in the Charged Assets (if applicable);

and generally for enabling the Security Agent, its delegates and any Receiver to exercise the respective powers conferred on them by or pursuant to this Deed or by law.

- 16.2 The Security Agent shall have full power to delegate the power conferred on it by this Clause, but no such delegation shall preclude the subsequent exercise of such power by the Security Agent itself or preclude the Security Agent from making a subsequent delegation thereof to some other person; any such delegation may be revoked by the Security Agent at any time.
- 16.3 The power of attorney hereby granted is as regards the Security Agent, its delegates and any Receiver (and as the Chargor hereby acknowledges) granted irrevocably and for value as part of the security constituted by this Deed to secure proprietary interests in and the performance of obligations owed to the respective donees within the meaning of the Powers of Attorney Act 1971.
- 16.4 The Chargor hereby ratifies and confirms, and agrees to ratify and confirm, whatever any such attorney shall do or purport to do in the exercise or purported exercise of the power of attorney contained in this Clause 16.

## 17 PRESERVATION OF RIGHTS

### 17.1 Additional Security

The security constituted by this Deed is in addition to and not in substitution for, and is not in any way to be merged into or in any way excluded or prejudiced by (nor shall it prejudice), any other security now or subsequently held by the Security Agent or any Finance Party for any of the Secured Liabilities or any other amount due by the Chargor to the Security Agent or any Finance Party. Neither shall it be prejudiced by (nor prejudice) any rights of set-off, combination of accounts, lien or other rights exercisable by the Security Agent or any Finance Party as banker.

### 17.2 Continuing Security

The security constituted by this Deed is continuing and shall extend to the ultimate balance of the Secured Liabilities, regardless of any intermediate payment, performance or discharge in whole or in part, and shall continue in full force and effect until the end of the Security Period.

### 17.3 Reinstatement

- (a) If any payment by the Chargor or any other person or any release, discharge or arrangement given by the Security Agent or a Finance Party (whether in respect of the obligations of the Chargor, any Transaction Obligor or any other person, or any security

for those obligations or otherwise) is avoided or reduced or must be restored as a result of liquidation, administration, bankruptcy or insolvency or any similar event, or otherwise howsoever (in each case whether in whole or part):

- (i) the liability of the Chargor shall continue or be reinstated as if the payment, discharge, avoidance, reduction or restoration had not occurred; and
- (ii) each Finance Party shall be entitled to recover the value or amount of that security or payment from the Chargor, as if the payment, discharge, avoidance, reduction or restoration had not occurred;

and any liability under this Clause 17.3 shall be secured by this Deed.

- (B) The Finance Parties may freely concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

#### **17.4 Waiver of defences**

The obligations of the Chargor under this Deed, the security constituted by this Deed, and the rights, powers and remedies of the Security Agent and the Finance Parties hereunder or at law, shall in each case not be discharged, impaired or otherwise affected by (without limitation, and whether or not known to the Chargor or any Finance Party):

- (a) any time, indulgence, waiver (in whole or in part, and howsoever fundamental) or consent granted to, or composition with, any Obligor or any other person;
- (b) any delay or forbearance by any Finance Party in exercising its rights or remedies under any Finance Document;
- (c) the release of any Obligor or any other person under the terms of any composition, compromise or arrangement with any creditor of any Obligor or any other person;
- (d) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (e) any incapacity, disability, or lack of power, authority or legal personality of or dissolution

or change in the members, constitution, identity, control, function or status of any Obligor or any other person;

- (f) any amendment, novation, supplement, extension (whether of maturity or otherwise howsoever) or restatement (in each case, however fundamental and of whatsoever nature and whether or not more onerous) or replacement of a Finance Document or any other document or security;
- (g) any change in the constitution or identity of the Finance Parties or the Security Agent, including (without limitation): (a) the absorption or amalgamation by or of any Finance Party or the Security Agent with any person; (b) the acquisition of all or part of any Finance Party's or the Security Agent's undertaking or assets by any other person; (c) any reconstruction or reorganisation of any Finance Party or the Security Agent of any kind; or (d) any assignment, transfer, novation, participation or other disposal (whether in whole or part) of any Finance Party's rights and/or obligations under the Finance Documents or any of them;
- (h) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security, to the intent that the Chargor's obligations under this Deed shall remain in full force, as if there were no such unenforceability, illegality or invalidity;
- (i) any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of any other person under or in connection with any Finance Document or any other document or security resulting from any insolvency, liquidation, administration, bankruptcy or dissolution proceedings or similar proceedings or from any law, regulation or order so that each such obligation shall for the purposes of the Chargor's obligations under this Deed be construed as if there were no such circumstance;
- (j) any Re-characterised Interest occurring or arising;
- (k) any other act, omission, matter or thing (whether or not known to the Chargor or any Finance Party) which, but for this Clause 17.4, might reduce, release, diminish, discharge, impair, prejudice or otherwise affect the obligations of the Chargor under this Deed, the security constituted by this Deed, and/or the rights, powers and remedies conferred upon the Security Agent and the Finance Parties by any Finance Document or at law.

## 17.5 Confirmations

Without prejudice to the generality of Clause 17.4 (*Waiver of Defences*), each Chargor hereby expressly confirms that it intends that the Security constituted by (or intended to be constituted by) this Deed shall, in each case, extend from time to time to any (however fundamental and whether or not more onerous) variation, increase, extension or addition to or of any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purpose of or in connection with (without limitation) any of the following:

- (a) business or property acquisitions of any nature;
- (b) increasing working capital;
- (c) enabling investor distributions to be made;
- (d) carrying out restructurings;
- (e) refinancing any other indebtedness;
- (f) making existing or additional facilities available to existing or new borrowers;
- (g) increasing or decreasing any facility or increasing or decreasing the period for which any facility is available, or in which it or the Secured Liabilities are payable;
- (h) the changing of the identity of any party or parties (including, without limitation, the identity of the providers of any security, guarantees or indemnities);
- (i) any other variation or extension of the purposes for which any such facility or amount might be available from time to time;
- (j) any other variation, renewal, payment, compromise, discharge, extension or release, in whole or in part, of any Finance Document or any modifications to the terms thereof, and/or
- (k) any fees, costs and/or expenses (including, without limitation, legal, accountancy, consultancy, and/or valuation expenses) associated with any of the foregoing.

- in each case before claiming from, or proceeding or taking any such action against or in respect of, the Chargor under this Deed.

- ## 17.7 Appropriations

(a) refrain from applying or enforcing any other monies, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Chargor shall not be entitled to the benefit of the same; and



- (b) hold in an interest bearing suspense account any monies received from the Chargor or on account of the Chargor's liability under this Deed.

#### 17.8 Non-competition

- (a) During the Security Period, the Chargor shall not (unless the Security Agent otherwise directs, in which case it shall), after a demand or claim has been made or by virtue of any payment, performance or discharge by it under this Deed or any other Finance Document:
  - (i) take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights, guarantees, security or monies held, received or receivable by any Finance Party (or any trustee or agent on its behalf), nor exercise any other rights or remedies which the Chargor may have in respect thereof;
  - (ii) be entitled to any right of contribution or indemnity from any Obligor, or any other person in respect of any payment made or monies received on account of the Chargor's liability under this Deed or the other Finance Documents;
  - (iii) claim, rank, prove or vote as a creditor of any Obligor, or any other person or its estate, or in any liquidation or administration or similar proceedings, in each case in competition with any Finance Party (or any trustee or agent on its behalf);
  - (iv) bring any legal or other proceedings for an order requiring any Obligor, or any other person to make any payment, or perform any obligation, in respect of which the Chargor has given any guarantee, undertaking or indemnity under the Finance Documents; nor
  - (v) receive, claim or have the benefit of any payment, distribution or security from or on account of any Obligor, or any other person, or exercise any right of set-off or counterclaim as against any such person.
- (b) the Chargor shall hold in trust for, and forthwith pay or transfer to, the Security Agent for the Finance Parties any payment, distribution, contribution or benefit received by it either contrary to Clause 17.8(a) or as a result of a direction of the Security Agent under Clause 17.8(a).

### 17.9 Security held by Chargor

The Chargor shall not hold any security from any other person in respect of the Chargor's liability under this Deed and/or the other Finance Documents. The Chargor shall hold any security held by it in breach of this Clause 17.9 on trust for the Security Agent.

## 18 MISCELLANEOUS

### 18.1 Covenant to Pay

- (a) The Chargor covenants with the Security Agent (as agent and security trustee for and on behalf of itself and the other Finance Parties) that it shall on demand pay, perform or discharge the Secured Liabilities on the due date or dates therefor.
- (b) The Chargor covenants with the Security Agent (as agent and trustee for and on behalf of itself and the other Finance Parties) to pay interest on the Secured Liabilities (to the extent not otherwise charged pursuant to the Facility Agreement) on demand from the due date or dates therefor until full discharge (whether before or after judgement, liquidation, winding-up, bankruptcy or administration (whether out of court or otherwise)), such interest to accrue from day to day (on the basis of a 365 day year) calculated at the Default Rate of interest. The Security Agent may compound interest if it is not paid when due.
- (c) The liabilities of the Chargor under this Clause 18.1 shall be limited to the Charged Assets and the proceeds of realisation thereof.

### 18.2 The Land Registry

The Chargor shall, at the direction of the Security Agent, promptly apply on Form RX1 to the Land Registry (and the Chargor hereby consents to any such application being made by the Security Agent) for a restriction in the following terms to be entered on the registers of each title of any such property registered at the Land Registry in its name and against which this Deed may be noted (including, without limitation, the Mortgaged Property):

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

### 18.3 Tacking

- (a) The obligation (if any) on the part of the Lenders to make further advances to the Chargor under the Facility Agreement is deemed to be incorporated in this Deed as if set out in this Deed.
- (b) Each Chargor shall promptly apply on form CH2 (and the Chargor hereby consents to any such application being made by the Security Agent) to the Land Registry for a note of such obligation to be entered on the registers of each title of all present and future registered freehold, commonhold and leasehold property of the Chargor (including, without limitation, the Mortgaged Property).

### 18.4 Land

- (a) If the title to any of the Mortgaged Property at any time is not registered at the Land Registry, the Chargor shall ensure that no person other than the Chargor shall be registered under the Land Registration Act 2002 as the proprietor of all or any part of such Mortgaged Property without the prior consent in writing of the Security Agent.
- (b) In the case of the title to any of the Mortgaged Property which is capable of registration but which is not registered at the Land Registry (including, in particular, any unregistered Mortgaged Property subject to compulsory first registration at the Land Registry under the provisions of the Land Registration Act 2002 as at the date of this Deed), the Chargor shall promptly:
  - (i) apply on Form FR1 for the first registration of the title to such property at the Land Registry or on Form CM1 in the case of any such Mortgaged Property to be registered at the Land Registry as commonhold property;
  - (ii) apply on Form RX1 for a restriction against such title in the form set out in Clause 18.2 of this Deed (as applicable);
  - (iii) make an application on Form CH2 pursuant to Clause 17.3 of this Deed; and
  - (iv) pending such applications, (unless the Security Agent otherwise directs) register this Deed in respect of such property at the Land Charges Registry pursuant to the Land Charges Act 1972;

and the Chargor hereby consents, in each such case, to any such application being made by the Security Agent.

- (c) Whether or not the title to the Mortgaged Property is registered at the Land Registry, in the event that any caution against first registration or any notice (whether agreed or unilateral) is registered against the title to all or any part of the Mortgaged Property, the Chargor shall immediately provide the Security Agent with full particulars of the circumstances relating to such registration or notice and if such caution or notice shall have been registered in order to protect a purported interest the creation of which is not permitted under this Deed and/or the Finance Documents, the Chargor shall immediately and at its expense take such steps as the Security Agent may require to ensure that the caution or notice (as applicable) is withdrawn or cancelled.
- (d) In relation to any freehold, commonhold or leasehold or other interest in property acquired by or on behalf of the Chargor on or after the date of this Deed in connection with the ownership or operation of the Hotel, the Chargor shall (at its own expense):
  - (i) notify the Security Agent immediately upon the occurrence of such acquisition (and for the purposes of this Clause 18.4(d)(i) the date of exchange of contracts for such an acquisition shall be deemed the date of acquisition);
  - (ii) where the title to any such property is registered at the Land Registry, promptly following completion of the acquisition apply to be registered as the proprietor of the registered estate acquired in relation to such property (and the Chargor hereby consents to any application that the Security Agent may require to be made to the Land Registry for the registration of an agreed unilateral notice on Form UN1 against the relevant registered title at the Land Registry for the protection of the Security constituted by this Deed);
  - (iii) where the title to any such property is not registered at the Land Registry, promptly comply with its obligations contained in this Clauses 18.4(a) to 18.4(b) (*Land*) of this Deed in respect of such property;
  - (iv) where the title to any such property represents the transfer of either part of a commonhold unit or part of the common parts of land registered as a freehold estate in commonhold land under the Commonhold and Leasehold Reform Act 2002, also procure that the application to register the transfer is accompanied by an application on Form CM3 to register the commonhold community statement and/or the memorandum and articles of association (as amended in relation to the transfer as required by Rule 15 or, as appropriate, Rule 16 of the

Commonhold (Land Registration) Rules 2004);

- (v) at its cost, in any such case, execute and deliver to the Security Agent, on demand, a legal mortgage (in substantially the same terms as this Deed, but to include such representations and undertakings, or such amendments, as the Security Agent may reasonably require) in favour of the Security Agent in respect of such freehold, commonhold or leasehold or other interest in property; and
- (vi) in any event, give the Land Registry written notice of this Deed and procure that notice of it be duly noted in the registers to each title of any such property in accordance with the provisions of this Deed;

and, in any such case, shall promptly after the completion of any such registration provide the Security Agent with a copy of the relevant Title Information Document issued by the Land Registry recording such registration(s) within the applicable priority period.

#### **18.5 New Accounts**

If the Security Agent or any other Finance Party receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent charge or other interest affecting any Charged Asset and/or the proceeds of sale of any Charged Asset, the Security Agent or the relevant Finance Party (as the case may be) may open a new account with the relevant Chargor. If the Security Agent or the relevant Finance Party (as the case may be) does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice. As from that time all payments made to the Security Agent or the relevant Finance Party (as the case may be) will be credited or be treated as having been credited to the new account and will not operate to reduce any amount for which this Deed is security.

#### **18.6 Certificates and Determinations**

Any certification or determination by the Security Agent of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

#### **18.7 Stamp duties**

The Chargor shall pay, and within five (5) Business Days of demand indemnify, the Security Agent against any cost, loss or liability it incurs in relation to all stamp duty, SDLT, registration and/or other similar taxes payable in respect of this Deed from time to time, and any performance

or enforcement of it.

#### 18.8 Collateral Security

Where any Security constituted under this Deed initially takes effect as a collateral or further Security to another Security intended to be constituted under this Deed or which otherwise secures all or any part of the Secured Liabilities to which the Chargor is a party then, despite any receipt, release or discharge indorsed on or given in respect of or under the second mentioned Security, the first mentioned Security will operate as an independent Security.

#### 18.9 Suspense Accounts

All monies received, recovered or realised by the Security Agent under this Deed (including the proceeds of any conversion of currency) may in the discretion of the Security Agent be credited to an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) for so long as the Security Agent shall think fit (the interest being credited to the relevant account) pending the application from time to time of those monies in the Security Agent's discretion in accordance with the provisions of Clause 12 (*Application of proceeds*) (and save as expressly provided herein no Obligor will be entitled to withdraw any amount at any time standing to the credit of any suspense or impersonal account referred to above).

#### 18.10 Exercise of Powers

Any liberty or power which may be exercised or any determination which may be made under this Deed by the Security Agent or any Receiver may, in respect of the Transaction Obligors, be exercised or made at his absolute and unfettered discretion without any obligation to give reasons for doing so.

#### 18.11 Trustee Provisions

- (a) The Security Agent shall hold the Security Property constituted by or in connection with this Deed, including:
  - (i) the benefit of this Deed;
  - (ii) the Security constituted by this Deed, including the proceeds thereof; and
  - (iii) all undertakings, rights, title, interests, monies and other assets contained in,

constituted by or received or recovered by the Security Agent under or in connection with, this Deed;

in each case in trust for the benefit of the Finance Parties on the terms and subject to the conditions set out in this Deed and the Finance Documents.

- (b) The replacement, resignation or retirement of the person for the time being acting as Security Agent, and the appointment of any successor, shall in no way prejudice: (a) the Security created or intended to be created by the Security Documents (including this Deed); (b) the obligations of the Transaction Obligors (including the Chargor) under the Finance Documents (including this Deed); (c) the rights, powers and remedies of the Security Agent and/or the other Finance Parties under the Finance Documents (including this Deed); nor (d) the trust established pursuant to this Deed and the other Finance Documents.

#### 18.12 Constitutional Documents

The Chargor hereby certifies that its creation by this Deed of security in favour of the Security Agent (as agent and trustee for and on behalf of itself and the other Finance Parties) does not contravene any of the provisions of its constitutional or organisational documents.

#### 18.13 Assignment

- (a) The Chargor may not assign, transfer, novate or otherwise dispose of, or declare any trust of, any of its rights and/or obligations under this Deed. This Deed shall be binding on the successors, transferees or assigns of the Chargor.
- (b) The Security Agent may at any time assign, transfer, novate, charge or otherwise dispose of all or any of its rights and benefits under this Deed to any person to whom it may assign, transfer, charge or otherwise dispose of all or any part of its rights and benefits under the Facility Agreement. The Security Agent may at any time resign or retire as Security Agent in accordance with the terms of the Facility Agreement (and the appointment of any successor or replacement shall be governed by the terms of the Facility Agreement).

#### 18.14 Partial Invalidity

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the

remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

#### 18.15 Remedies, waivers, amendments and consents

- (a) No failure nor any delay in exercising, on the part of any Finance Party (including the Security Agent) or any Receiver, any right, remedy, power or discretion under this Deed (a "Right") shall operate as a waiver of any such Right or constitute an election to affirm this Deed. No single or partial exercise of any Right shall prevent any further or other exercise of any other Right. The Rights provided in this Deed are cumulative and not exclusive of any rights, remedies, powers or discretions provided by law.
- (b) Any provision of this Deed may be amended, supplemented or novated only if the Security Agent agrees in writing, in accordance with Clause 38 (*Amendments and Waivers*) of the Facility Agreement. Any waiver of, and any consent or approval by the Security Agent under, any provision of this Deed shall not be effective unless it is in writing, and may be given subject to any conditions thought fit by the Security Agent, may be withdrawn or modified at any time, and shall be effective only in the instance, and for the purpose, for which it is given.

#### 18.16 Delivery

The signature or sealing of this Deed by or on behalf of a party shall constitute an authority to the solicitors, or an agent or employee of the solicitors, acting for that party in connection with this Deed, and, in the case of the Chargor, the Security Agent's solicitors to date it and to deliver it as a deed on behalf of that party.

#### 18.17 Set-off

- (a) A Finance Party (including the Security Agent) may set off any matured obligation due from the Chargor under the Finance Documents (including this Deed) (to the extent beneficially owned by that Finance Party) against any matured obligations owed by that Finance Party to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.
- (b) Without prejudice to Clause 18.17(a) above, and to Clause 9.2 (*Right of Appropriation of Financial Collateral*), upon the security constituted by this Deed becoming enforceable,



the Finance Parties may, without notice or further demand, withdraw, apply, transfer, appropriate, or set-off any or all of the monies standing to the credit of the Accounts in or towards payment or other satisfaction of the Secured Liabilities in accordance with Clause 12 (*Application of Proceeds*).

#### **18.18 No withholding**

The Chargor shall make all payments under or in respect of this Deed without set-off or counterclaim and free and clear of any withholding or deduction, save as may be required by law in which event the provisions of Clause 12 and Clause 15 of the Facility Agreement shall apply.

#### **18.19 Perpetuity**

The perpetuity period applicable to the trusts constituted by this Deed shall (if relevant) be 125 years.

### **19 RELEASE AND RE-ASSIGNMENT**

Upon the expiry of the Security Period (or earlier only in the Security Agent's absolute discretion), and subject to Clauses 1.3 and 17.3, the Security Agent shall, at the request and cost of the Chargor, take whatever action is necessary to release and/or reassign (without recourse or warranty) the applicable Charged Assets from the security constituted by this Deed.

### **20 NOTICES**

#### **20.1 Communications in writing**

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

#### **20.2 Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party to this Deed for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name below in the execution block or any substitute address or fax number or department or officer as a party to this Deed may notify to the other party by not less than five Business Days' notice.

#### **20.3 Delivery**

- (a) Subject to Clause 20.5, any communication or document made or delivered under or in connection with this Deed will only be effective:
  - (i) if by way of fax, once sent to the fax number as set out in the relevant execution block below, or updated per Clause 20.2 (Addresses) above, with proof of transmission to a specific fax number; or
  - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under Clause 20.2, if addressed to that department or officer.

- (b) Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's signature below in the execution block (or any substitute department or officer as the Security Agent shall specify for this purpose).
- (c) Any communication or document which becomes effective, in accordance with Clauses 20.3(a) to 20.3(b), after 5:00 p.m. in the place of receipt shall be deemed only to become effective on the next following Business Day.

#### 20.4 Electronic communication

- (a) Any communication to be made between the parties to this Deed under or in connection with this Deed may be made by electronic mail or other electronic means to the extent the parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if the parties:
  - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
  - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- (b) Any electronic communication made between the parties to this Deed will be effective only when actually received in readable form and in the case of any electronic

communication made by the Chargor to the Security Agent only if it is addressed in such a manner as the Security Agent shall specify for this purpose.

- (c) Any electronic communication which becomes effective, in accordance with Clause 19.4(b), after 5:00 p.m. in the place of receipt shall be deemed only to become effective on the next following Business Day.

## 20.5 Proof of service on the Chargor

In proving service of a notice, communication or other document on the Chargor it shall be sufficient to prove that either:

- (a) the envelope containing such notice was addressed to the address of the Chargor as set out in the execution block below and either:
  - (i) delivered to or left at that address; or
  - (ii) delivered into the custody of the postal authorities as a prepaid first class letter; or
- (b) the notice was transmitted by facsimile to the fax number of the Chargor set out in the execution block below.

## 20.6 English language

Any notice or other document given under or in connection with this Deed must be in English.

## 21 COUNTERPARTS

This Deed 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.

## 22 GOVERNING LAW

This Deed (and all non-contractual obligations arising out of or in connection with it) are governed by, and shall be construed in accordance with, English law.

## 23 ENFORCEMENT

23.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in

connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non-contractual obligations arising out of or in connection with it) (a "Dispute").

23.2 The parties to this Deed agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party to this Deed will argue to the contrary.

23.3 This Clause 23 is for the benefit of the Security Agent and the Finance Parties only. As a result, no Finance Party (including the Security Agent) shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent (and the Finance Parties) may take concurrent proceedings in any number of jurisdictions.

23.4 Each Chargor hereby irrevocably and unconditionally:

- (a) waives any objection to the jurisdiction of the English courts dealing with (and agrees not to raise or claim immunity from) any proceedings for such enforcement of this Deed (and shall ensure that no such claim is made on its behalf);
- (b) consents to the issue of any process, or the giving of any relief, in connection with those proceedings;
- (c) waives all immunity from suit, attachment and/or execution, that it or its assets may now or in the future have; and
- (d) expressly consents to and acknowledges the terms of this Clause 23.

## 24 THIRD PARTY RIGHTS

24.1 Nothing in this Deed is intended to confer on any person any right to enforce any provision of this Deed which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999, save as set out in Clause 24.2 below.

24.2 Any Receiver appointed by the Security Agent, any Relevant Person (including, without limitation, any Finance Party) and any lawful delegate or sub-delegate of the Security Agent or Receiver may take the benefit of:

- (a) any covenant or provision in this Deed by which a Chargor is expressed to give an undertaking or indemnity to, or to release or waive any claim against, that person; and/or
- (b) any covenant or provision of this Deed which confers, or purports to confer, any power, right, remedy or benefit upon that person;

provided that:

- (a) until the Secured Liabilities have been discharged in full, no such person may exercise or otherwise enforce any such right without the prior written consent of the Security Agent; and
- (b) notwithstanding such rights, this Deed may be restated, varied amended, supplemented, or substituted in any respect by the Security Agent and the Chargor whether to remove such rights in whole or in part or otherwise whatsoever or novated, or assigned, released or discharged by the Security Agent without, in any such case, notice to or consent from any such person.

**IN WITNESS** of which this document has been duly executed and delivered as a deed by each of the parties on the day and the year first stated above.

## Schedule 1

## Mortgaged Property

Property Description
----------------------

All such rights and interests that exist or subsist in relation to any Opco Licence, any Re-characterised Interest thereof, or any renewal, extension or replacement thereof, whether arising at law, in equity, or otherwise.
--

**Schedule 2**

**Securities**

Not applicable

## Schedule 3

## Form of Notice to Occupational Tenants/Guarantors

*[On Headed Notepaper of the relevant Chargor]*

[Date]

Dear Sirs

Re: [Address of Mortgaged Property]

Confirmatory Security agreement (the "Confirmatory Security Agreement") dated 2019 between City and Country Hotels Limited (the "Chargor") and HSBC Bank plc (as agent and security trustee for and on behalf of itself and the other Finance Parties (as defined therein)) (the "Security Agent")

(1) We refer to the lease dated [•] and made between [the Chargor] (1), [applicable tenant] (2) [and applicable guarantor (3)] (the "Lease").

(2) This letter constitutes notice to you that under the Confirmatory Security Agreement:

- (i) we charged (by way of first legal mortgage and/or fixed charge) and/or assigned (by way of security) all our right, title, benefit and interest (both present and future) in, to and under the Lease; and
- (ii) we assigned (by way of security) all our right, title, benefit and interest (both present and future) in, to and under the monies from time to time due to the Chargor arising from the Lease;

to the Security Agent (as agent and security trustee for and on behalf of itself and the other Finance Parties), upon the terms set out in the Confirmatory Security Agreement.

(3) We irrevocably and unconditionally instruct and authorise you (notwithstanding any previous instructions which we or any manager, managing agent, asset manager or hotel manager on our behalf may have given to the contrary), until you receive notice from the Security Agent to the contrary, to pay all rents and other monies payable by you under the Lease to the account, the



details of which are set out below or such account as the Security Agent may from time to time direct in writing.

Account name: [•]

Bank account: [•]

IBAN: [•]

BIC: [•]

(4) Please note that:

- (i) we shall remain liable to you to perform all obligations assumed by us under the Lease, and the Security Agent, its agents and/or delegates, any receiver or any other similar person is under no obligation of any kind whatsoever thereunder; and
- (ii) we may not agree to amend, surrender or waive the terms of, or assign our interest in, or give any licence, consent or approval under the Lease, in each case without the prior written consent of the Security Agent or as expressly permitted under the Finance Documents (as defined in the Confirmatory Security Agreement).

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

This letter (and all non-contractual obligations arising out of or in connection with it) are governed by English law, and is subject to the exclusive jurisdiction of the English courts.

Please acknowledge receipt of this letter, and confirm your agreement to the above, by signing the attached form of acknowledgement and returning it to the Security Agent at [ ] for the attention of: [ ].

Yours faithfully

.....  
For and on behalf of

[Chargor]

Form of Acknowledgement from

Occupational Tenant /Guarantor

To: [Security Agent] (as agent and security trustee for and on behalf of itself and the other Finance Parties)  
[address]

For the attention of: [♦]

Date: 201[ ]

Dear Sirs

Re: [Address of Mortgaged Property]

Confirmatory Security agreement (the "Confirmatory Security Agreement") dated 2019 between City and Country Hotels Limited (the "Chargor") and HSBC Bank plc (as agent and security trustee for and on behalf of itself and the other Finance Parties (as defined therein)) (the "Security Agent")

We acknowledge receipt from the Chargor of a notice dated [ ] 201[ ] (the "Notice") in relation to the Lease:

Words and expressions defined in the Notice shall bear the same respective meanings when used herein.

We accept the instructions and authorisations contained in the Notice.

We acknowledge and confirm that:

- (a) we have not received any notice 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;
- (b) we shall pay all rents and all other monies payable by us under the [Lease][Licence] as directed in the Notice and we shall continue to pay those monies as so directed until we receive your written instructions to the contrary (and shall thereafter pay all such monies to such account as you may direct in writing); and
- (c) the Chargor may not agree to amend, surrender or waive the terms of, or assign or transfer its interest in, or give any licence, consent or approval under, the Lease without your prior written

consent or as expressly permitted under the Finance Documents (as defined in the Confirmatory Security Agreement).

This letter (and all non-contractual obligations arising out of or in connection with it) are governed by English law, and is subject to the exclusive jurisdiction of the English courts.

Yours faithfully

For and on behalf of

**[Tenant/Guarantor]**

## Schedule 4

## Form of Notice to Account Banks

To: [Account Bank]

Attention:

[Date]

Dear Sirs,

Confirmatory Security agreement (the "Confirmatory Security Agreement") dated 2019 between City and Country Hotels Limited (the "Chargor") and HSBC Bank plc (as agent and security trustee for and on behalf of itself and the other Finance Parties (as defined therein)) (the "Security Agent")

We refer to the accounts opened with you by us and numbered [ ] [sort code [ ]] (the "Accounts").

We hereby give you notice that pursuant to a confirmatory security agreement (the "Confirmatory Security Agreement") dated [ ] 2019 made between ourselves and HSBC Bank plc (the "Security Agent") we have, with full title guarantee, charged to the Security Agent all of our interests in all monies from time to time standing to the credit of the Accounts and interest earned thereon and the debts represented thereby (the "Deposited Monies") and all our right, title, benefit and interest whatsoever present and future therein and in the Accounts together with any certificates of deposit, deposit receipts or other instruments or securities relating thereto.

We irrevocably and unconditionally instruct and authorise you with immediate effect (and notwithstanding any instructions we may have given to the contrary):

1. to disclose to the Security Agent without need for any reference to or further authority from us and without any inquiry by you as to the justification for such disclosure, such information relating to the Accounts as the Security Agent may, at any time and from time to time, request you to disclose to it;
2. to hold the Accounts and the benefit thereof to the order of the Security Agent;
3. at any time and from time to time upon receipt by you of instructions in writing from the Security Agent to release to the Security Agent the Deposited Monies or part thereof to act in accordance

with such instructions, without any reference to or further authority from us and without inquiry by you as to the justification for such instructions or the validity of them;

4. to comply with the terms of any written notice, statement or instructions in any way relating or purporting to relate to the Accounts and/or the Deposited Monies, or any of the same, which you receive at any time and from time to time from the Security Agent without any reference to or further authority from us and without any inquiry by you as to the justification for such notice, statement or instructions or the validity thereof;
6. in relation to the Accounts only following the Agent's notification to you accordingly, not to act upon our instructions with regard to the Accounts and/or the Deposited Monies in respect of the Accounts without the prior written consent of the Agent, and upon receipt of such notice from the Agent and if so requested to arrange for the Agent to be the sole signatory of the Accounts.

The instructions and authorisations which are contained in this letter shall remain in full force and effect until the Security Agent gives you notice in writing revoking them.

This letter (and all non-contractual obligations arising out of or in connection with it) shall be governed by and construed in accordance with the laws of England, and is subject to the exclusive jurisdiction of the English courts.

Please acknowledge receipt of this letter, and confirm your agreement to the above, by signing the attached form of acknowledgement and returning it to the Security Agent at [ ] for the attention of: [ ].

.....  
 Authorised signatory

For and on behalf of

**[Chargor]**

## Form of Acknowledgement from the Account Bank

Date:

To: [ ]

in its capacity as Security Agent

For the attention of: [ ]

Dear Sirs,

Confirmatory Security agreement (the "Confirmatory Security Agreement") dated 2019 between City and Country Hotels Limited (the "Chargor") and HSBC Bank plc (as agent and security trustee for and on behalf of itself and the other Finance Parties (as defined therein)) (the "Security Agent")

We hereby acknowledge receipt of a notice (the "Notice") dated [ ] 201[ ] and addressed to us by [ ] (the "Chargor") regarding the Account[s] defined in the Notice, and we accept the instructions and authorisations contained in the Notice and we undertake to act in accordance and comply with the terms of the Notice. We acknowledge and confirm that:

1. we do not have, and will not (without your prior written consent) make or exercise, any security interests, claims or demands, or any rights of consolidation, counterclaim, or set-off, or any other equities against the Chargor in respect of the Account[s] and/or the Deposited Monies (as defined in the Notice) and/or the debts represented thereby, or any part of any of it or them [except in respect of our usual administrative fees and charges in relation to accounts of the type in question];
2. we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right or interest whatsoever in or has made or will be making any claim or demand or taking any action whatsoever against the Accounts and/or the Deposited Monies and/or the debts represented thereby, or any part of any of it or them;
3. in relation to the Accounts only following notification from yourselves accordingly, not to act upon the Chargor's instructions with regard to the Accounts and/or the Deposited Monies in respect of the Accounts without your prior written consent, and upon receipt of such notice from the Agent to arrange for the Agent to the sole signatory of the Accounts; and
5. we shall forthwith on your demand pay out of the Account[s] to you, or as you may direct, the lesser of (i) the amount so demanded and (ii) the balance (including accrued interest to the date of demand, without deduction of any kind) then standing to the credit of the Accounts.

We undertake that, in the event of our becoming aware at any time that any person or entity other than yourselves or the Chargor has or will have any right or interest whatsoever in or has or will be making any claim or demand or taking any action whatsoever against the Account[s] and/or the Deposited Monies and/or the debt represented thereby, or any of them, we will promptly give written notice of the terms of such right or interest claim or demand or action to both yourselves and the Chargor.

We have made the acknowledgement and confirmations and have given the undertakings set out in this letter in the knowledge that they are required by you in connection with the security which has been constituted by the Chargor in your favour under the Confirmatory Security Agreement referred to in the Notice.

This letter (and all non-contractual obligations arising out of or in connection with it) shall be governed by and construed in accordance with the laws of England, and is subject to the exclusive jurisdiction of the English courts.

Yours faithfully

.....  
Authorised signatory  
For and on behalf of

[*Account Bank*]

## Schedule 5

## Form of Notice to Insurers

[On Headed Notepaper of Chargor]

To: [Name of insurers]

[Date]

Dear Sirs

Re: Insurance Policy in respect of [Address of Mortgaged Property]

Confirmatory Security agreement (the "Confirmatory Security Agreement") dated 2019 between City and Country Hotels Limited (the "Chargor") and HSBC Bank plc (as agent and security trustee for and on behalf of itself and the other Finance Parties (as defined therein)) (the "Security Agent")

- (1) We refer to [insert details of Policy, including policy no.] (and any policy relating to the renewal or replacement of such policy) (the "Policy").
- (2) This letter constitutes notice to you that pursuant to the Confirmatory Security Agreement we assigned (by way of security) and/or charged all our right, title, benefit and interest (both present and future) in, to and under the Policy and all claims and monies from time to time due to the Chargor arising from the Policy, in favour of the Security Agent (as agent and security trustee for and on behalf of itself and the other Finance Parties).
- (3) We confirm that we shall remain liable to you to perform all obligations assumed by us under the Policy, and the Security Agent, its agents and delegates, any receiver and any similar person is under no obligation of any kind whatsoever under the Policy.
- (4) We irrevocably and unconditionally instruct and authorise you (notwithstanding any previous instructions which we may have given to the contrary):
  - (i) to continue to give notices under the Policy to us (save as set out below), unless and until you receive notice from the Security Agent to the contrary stating that the security has become enforceable. In this event, any notices must be given to, and all sums due from



you under the Policy must be paid to, and all the rights, benefits, interest and remedies under the Policy (or at law or in equity) will be exercisable by, the Security Agent or as it may from time to time direct in writing;

- (ii) to disclose to the Security Agent without further reference to or authority from us and without enquiry by you as to the justification of such disclosure, such information relating to the Policy as the Security Agent may request you to disclose;
  - (iii) to comply with the terms of any written notice, statement or instructions which you receive at any time from the Security Agent relating to the Policy; and
  - (iv) promptly to notify the Security Agent of any claim being made under the Policy.
- (5) Please note that we may not agree to amend or waive the terms of, or assign or transfer our interest in, or give any consent or approval under the Policy, in each case without the prior written consent of the Security Agent.

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

Please copy any communication regarding this Notice or the Policy to the Security Agent at [ ] (FAO: [ ])

This letter (and all non-contractual obligations arising out of or in connection with it) are governed by English law, and is subject to the exclusive jurisdiction of the English courts.

Please acknowledge receipt of this letter, and confirm your agreement to the above, by signing the attached form of acknowledgement and returning it to the Security Agent at [ ] for the attention of [ ].

Yours faithfully

For and on behalf of  
[Chargor]

### Form of Acknowledgement from Insurers

To: [Security Agent] (as agent and security trustee for and on behalf of itself and the other Finance Parties)  
[address]

For the attention of: [♦].

Date: 201[ ]

Dear Sirs

Re: Insurance Policy in respect of [Address of Mortgaged Property]

Confirmatory Security agreement (the "Confirmatory Security Agreement") dated 2019 between City and Country Hotels Limited (the "Chargor") and HSBC Bank plc (as agent and security trustee for and on behalf of itself and the other Finance Parties (as defined therein)) (the "Security Agent")

We acknowledge receipt from the Chargor of a notice dated [ ] 201[ ] (the "Notice") in relation to the Policy (as defined in the Notice).

We accept the instructions and authorisations contained in the Notice, and confirm that we shall pay all sums due, and give notices, under the Policy as directed in the Notice.

We have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right or interest whatsoever in or has made or will be making any claim or demand or taking any action whatsoever in respect of the Policy [so far as it relates to the interest of the Chargor] or any proceeds thereof.

[We hereby confirm that the following endorsements have been made on the Policy:

- (a) the Security Agent is noted as composite insured and first loss payee on the Policy;
- (b) the Policy shall not be invalidated or prejudiced so far as the Security Agent is concerned by misrepresentation or non-disclosure on the part of the Chargor or any other person (other than the Security Agent) nor by any breach of the insuring conditions or any other act or omission unknown to or beyond the control of the Security Agent on the part of the Chargor or any other person (other than the Security Agent);
- (c) we will not: (i) cancel the Policy; (ii) allow the same to elapse; or (iii) agree to any increase of any excess thereunder or any other material amendment thereto or material reduction in

cover thereto without first giving the Security Agent not less than thirty days' prior notice (specifying the action necessary to avoid the same); and

- (d) that no breach or default on the part of the Chargor of any terms of the Policy will be deemed to have occurred unless we have given notice of such breach to the Security Agent specifying how to make good such breach.

We unconditionally and irrevocably waive all rights of set-off, lien, combination of accounts and similar rights (however designated or described) which we may have now or in the future to the extent the same relate to amounts owed to us by the Chargor (and the proceeds thereof) and we will send you copies of all statements, orders and notices given by us relating to such debts.

This letter (and all non-contractual obligations arising out of or in connection with it) are governed by English law, and is subject to the exclusive jurisdiction of the English courts.

Yours faithfully

.....  
Authorised Signatory  
For and on behalf of  
[Insurer]

## Schedule 6

## Form of Notice to Contract Counterparties

[On Headed Notepaper of Chargor]

[Date]

[Contract Counterparty]

Dear Sirs

Re: [Describe agreement]

- (1) We refer to the [*contract*] dated [*•*] 201[ ] and made between [ ] (1) and [Contract Counterparty] (2) (the "**Agreement**")
- (2) We, [ ] (the "**Chargor**"), give you notice that by a confirmatory security agreement (the "**Confirmatory Security Agreement**") dated [*•*] 2017 between the Chargor (1) and HSBC Bank plc (the "**Security Agent**") as security agent and trustee for itself and each of the other Finance Parties (as defined in the Confirmatory Security Agreement) (2) we assigned (by way of security) and/or charged all our right, title and interest in and to the Agreement and the monies from time to time due to the Chargor arising from that Agreement to the Security Agent upon the terms set out in the Confirmatory Security Agreement.
- (3) We irrevocably and unconditionally instruct and authorise you (notwithstanding any previous instructions which we may have given to the contrary):
- (i) [subject to (ii) below, to apply all sums payable by you under the Agreement to [*specify account*]];]
  - (ii) If you receive notice from the Security Agent at any time that the security has become enforceable, to pay all sums payable by you under the Agreement to such other account as the Security Agent may direct;

- (iii) to disclose to the Security Agent without further reference to or authority from us and without enquiry by you as to the justification of such disclosure, such information relating to the Agreement as the Security Agent may request you to disclose; and
  - (iv) to comply with the terms of any written notice, statement or instructions which you receive at any time from the Security Agent relating to the Agreement.
- (4) Please note that:
- (i) we shall remain liable to you to perform all obligations assumed by us under the Agreement, and the Security Agent, its agents and/or delegates, any receiver or any other similar person is under no obligation of any kind whatsoever thereunder; and
  - (ii) we may not agree to amend or waive or surrender the terms of, or assign or transfer our interest in, or give any consent or approval under the Agreement, in each case without the prior written consent of the Security Agent.
- (5) Save as noted above, we will remain entitled to exercise all our rights, powers and discretions under the Agreement, and you should continue to give notices under the Agreement to us, unless and until you receive notice from the Security Agent to the contrary. In this event, all the rights, powers, remedies and discretions (including, without limitation, any right to compel performance of the Agreement) will be exercisable by (or at the direction of), and notices must be given to, the Security Agent or as it directs.

This letter (and all non-contractual obligations arising out of or in connection with it) are governed by English law, and is subject to the exclusive jurisdiction of the English courts.

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

Please acknowledge receipt of this letter, and confirm your agreement to the above, by signing the attached form of acknowledgement and returning it to the Security Agent at [ ] for the attention of: [ ].

Yours faithfully

.....  
For and on behalf of  
[Chargor]

## Form of Acknowledgement from

## Contract Counterparties

Date:

[ ]

[+]

in its capacity as Security Agent

For the attention of: [+]

Dear Sirs

Re: [insert Agreement]

We acknowledge receipt of a notice (the "Notice") dated [+ ] 201[ ] and addressed to us by [ ] (the "Chargor") regarding the Agreement (as defined in the Notice) mentioned in such Notice and we accept the instructions and authorisations contained in, and agree to comply with the terms of, such Notice.

We acknowledge and confirm that:

- (a) (notwithstanding any terms of the Agreement to the contrary) we hereby consent to the creation of the [assignment (by way of security)] [[and/or] charge] in respect of the Agreement as referred to in the Notice;
- (b) as at the date of this Acknowledgement, we have not received any notice 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 Agreement;
- (c) we will pay all sums due, and give notices, under the Agreement as directed in the Notice;
- (d) the Chargor may not agree to amend, surrender or waive the terms of, or assign or transfer its interest in, or give any consent or approval under, the Agreement without your consent; and

- (e) all remedies provided for in the Agreement (or otherwise available) and all rights, interests and benefits under (and all rights to compel performance of) the Agreement shall belong to and be exercisable by you or as you direct.

This letter (and all non-contractual obligations arising out of or in connection with it) are governed by English law, and is subject to the exclusive jurisdiction of the English courts.

Yours faithfully

.....

For and on behalf of  
[Contract Counterparty]

EXECUTION PAGES

The Chargor

Executed as a deed by  
**CITY AND COUNTRY HOTELS LIMITED**  
 acting by two directors or a director in the  
 presence of a witness:

X ..... X  
 Director

KHALID AFFARA  
 Print Name

.....  
 Director

TARIQ AFFARA  
 Print Name

Witness Signature: .....

Witness name (BLOCK CAPITALS): .....

Witness occupation (BLOCK CAPITALS): .....

Witness address (BLOCK CAPITALS): .....

.....  
 .....

Address for notices:

Address: 11 Berkeley Street, 2<sup>nd</sup> Floor  
 London  
 W1J 8DS

Fax No: 0207 408 0909

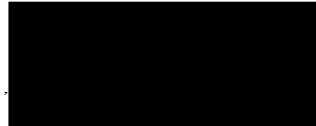
FAO: Khalid Affara



**The Security Agent**

Executed as a deed by Alison Taylor as attorney for HSBC UK BANK PLC, pursuant to a power of attorney dated 22 January 2019, acting as attorney for HSBC BANK PLC, pursuant to a power of attorney granted to HSBC UK Bank plc dated 1 July 2018

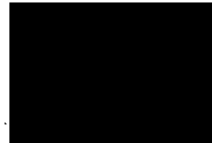
Signed by...



Print name...

A TAYLOR

Witness Signature:



Witness name (BLOCK CAPITALS):

MARK WHITWORTH

Witness occupation (BLOCK CAPITALS):

SENIOR PDTE MANAGER

Witness address (BLOCK CAPITALS):

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LONDON EC4V 4AY

Address for notices:

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