

# MR01

## Particulars of a charge



Companies House

000210/13

A fee is payable with this form  
Please see 'How to pay' on the  
last page

You can use the WebFiling service to file this form online  
Please go to [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

☒ **What this form is for**  
You may use this form to register  
a charge created or evidenced by  
an instrument

☒ **What this form is NOT for**  
You may not use this form to  
register a charge where there is no  
instrument Use form MR08

For further information, please  
refer to our guidance at  
[www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

This form must be delivered to the Registrar for registration  
21 days beginning with the day after the date of creation of the c  
delivered outside of the 21 days it will be rejected unless it is acco  
court order extending the time for delivery



You must enclose a certified copy of the instrument with this form  
scanned and placed on the public record

THURSDAY



\*A3BCLRI0\*

A22

03/07/2014

#40

COMPANIES HOUSE

### 1 Company details

Company number 0 6 5 8 9 1 8 0

Company name in full Ability Hotels (Luton) Limited

→ Filing in this form  
Please complete in typescript or in  
bold black capitals

All fields are mandatory unless  
specified or indicated by \*

### 2 Charge creation date

Charge creation date 2 6 0 6 2 0 1 4

### 3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees  
entitled to the charge

Name LaSalle Investment Management

Name

Name

Name

If there are more than four names, please supply any four of these names then  
tick the statement below

☐ I confirm that there are more than four persons, security agents or  
trustees entitled to the charge

# MR01

## Particulars of a charge

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### Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

#### Continuation page

Please use a continuation page if you need to enter more details

Description

1 By way of first legal mortgage all other Real Property (if any) at the date of the registered charge vested in, or charged to, the Chargor

2 By way of first fixed charge all other Real Property and all interests in Real Property (not charged by paragraph 1 above)

3 By way of first fixed charge the Intellectual Property

#### NOTES

Defined terms used above have the following meanings

"Intellectual Property" means all legal and/or equitable interests (including, without limitation, the benefit of all licences in any part of the world) of each Chargor in, or relating to

(a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered, and

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### Fixed charge or fixed security

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

☒ **Yes**

☐ **No**

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### Floating charge

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

☒ **Yes** Continue

☐ **No** Go to **Section 7**

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

☒ **Yes**

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### Negative Pledge

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

☒ **Yes**

☐ **No**

# MR01 - continuation page

## Particulars of a charge

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### Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Description

(b) the benefit of all applications and rights to use such assets of each Chargor (which may now or in the future subsist)

"Real Property" means all estates and interests in freehold, feuhold, leasehold, heritable and other immovable property (wherever situated) now or in future belonging to any Chargor, or which any Chargor has an interest at any time, together with

(a) all buildings, fixtures (including trade fixtures), fittings and fixed plant or machinery at any time on that property,

(b) all easements, servitudes, rights and agreements in respect of that property,

(c) all rents from and proceeds of sale of that property, and

(d) the benefit of all covenants given in respect of that property

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Particulars of a charge

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**Trustee statement <sup>①</sup>**

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

☐

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

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**Signature**

Please sign the form here

Signature

Signature

X

*Goodwin Procter (UK) Ltd*

X

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

MR01

## Particulars of a charge

**Presenter information**

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name LS/130999-231346

Company name Goodwin Procter (UK) LLP

Address Tower 42

25 Old Broad Street

Post town London

County/Region

Postcode E C 2 N 1 H Q

Country

DX

Telephone 0207 447 4252

**Certificate**

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

**Checklist**

**We may return forms completed incorrectly or with information missing**

**Please make sure you have remembered the following:**

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

**Important information**

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

**How to pay**

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

Make cheques or postal orders payable to 'Companies House'

**Where to send**

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

**For companies registered in England and Wales**  
The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ  
DX 33050 Cardiff

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

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

**Further information**

For further information, please see the guidance notes on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)**



**FILE COPY**

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

Company number: 6589180

Charge code: 0658 9180 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th June 2014 and created by ABILITY HOTELS (LUTON) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd July 2014.

P

Given at Companies House, Cardiff on 9th July 2014



**Companies House**



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

## EXECUTION VERSION

DATED

26 June

2014

(1) THE COMPANIES NAMED IN THIS DEED AS CHARGORS

- and -

(2) LASALLE INVESTMENT MANAGEMENT  
as Security Agent

## SECURITY AGREEMENT

*This Security Agreement is subject to and has the benefit of an Intercreditor Agreement (as defined in this Agreement).*

CERTIFIED TO BE A TRUE COPY OF THE ORIGINAL, SAVE  
FOR INFORMATION REDACTED UNDER SECTION 859G  
OF THE COMPANIES ACT 2006

*Goodwin Procter (UK) LLP*  
GOODWIN PROCTER (UK) LLP

DATE *30/06/2014*

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THIS SECURITY AGREEMENT is made on

26 June

2014

BETWEEN:

- (1) THE COMPANIES LISTED IN SCHEDULE 1 TO THIS DEED (the "Chargors"), and
- (2) LASALLE INVESTMENT MANAGEMENT, an unlimited company registered in England with registration number 2597050 whose registered office is at One Curzon Street, London W1J 5HD (as security trustee for the Secured Parties (as defined below) (in such capacity, the "Security Agent")

IT IS AGREED:

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Deed

- (a) terms defined in or construed for the purposes of the Mezzanine Facility Agreement (as defined below) have the same meanings when used in this Deed (unless the same are otherwise defined in this Deed), and

- (b) at all times the following terms have the following meanings

"Account Bank" means [REDACTED] or such other bank with which an Account is held pursuant to clause 16 (*Bank Accounts*) of the Mezzanine Facility Agreement,

"Act" means the Law of Property Act 1925;

"Assigned Assets" means the Security Assets expressed to be assigned pursuant to clause 4.2 (*Security assignments*),

"Cash Collateral Accounts" means each Account other than each General Account (as defined in the Mezzanine Facility Agreement) and, including but not limited to the accounts (if any) specified as such in part 3 of schedule 2 (*DETAILS OF SECURITY ASSETS*),

"Charged Accounts" means

- (a) each Cash Collateral Account,
- (b) the General Account,
- (c) each Collection Account, and
- (d) each other account charged by or pursuant to this Deed;

"Charged Investments" means the Charged Securities and all present and future Related Rights accruing to all or any of the Charged Securities,

**"Charged Property"** means all estates and interests in freehold, feuhold, leasehold, heritable and other immovable property (wherever situated) together with:

- (a) all buildings, fixtures (including trade fixtures), fittings and fixed plant or machinery at any time on that property,
- (b) all easements, servitudes, rights and agreements in respect of that property;
- (c) all rents from and proceeds of sale of that property, and
- (d) the benefit of all covenants given in respect of that property,

**"Charged Securities"** means

- (a) the securities specified in part 2 of schedule 2 (*DETAILS OF SECURITY ASSETS*); and
- (b) all other stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or "*investments*" (as defined in part II of schedule II to the Financial Services and Markets Act 2000 as in force at the date of this Deed) now or in future owned (legally or beneficially) by a Chargor or held by a nominee, trustee, fiduciary or clearance system on its behalf or in which such Chargor has an interest at any time,

**"Collection Account"** has the meaning given to that term in clause 11 7(a),

**"Default Rate"** means the rate of interest determined in accordance with clause 8 3 (*Default interest*) of the Mezzanine Facility Agreement except that references to an Obligor are to be construed as references to a Chargor;

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

**"Event of Default"** means each Event of Default as defined in the Senior Facility Agreement and/or the Mezzanine Facility Agreement,

**"Finance Document"** has the meaning given to it in the Mezzanine Facility Agreement,

**"Finance Party"** has the meaning given to it in the Mezzanine Facility Agreement,

**"Insurances"** means all policies of insurance (and all cover notes) which are at any time held by or written in favour of a Chargor, or in which a Chargor from time to time has an interest (including, without limitation the policies of insurance (if any) specified in part 5 of schedule 2 (*DETAILS OF SECURITY ASSETS*));

**"Intellectual Property"** means all legal and/or equitable interests (including, without limitation, the benefit of all licences in any part of the world) of each Chargor in, or relating to

- (a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered, and

- (b) the benefit of all applications and rights to use such assets of each Chargor (which may now or in the future subsist),

**"Intercreditor Agreement"** means the intercreditor agreement dated on or about the date of this Deed and made between Mount Street Loan Solutions LLP (as senior agent), the financial institution named therein (as senior lenders), LaSalle Investment Management (as mezzanine agent), the financial institution named therein (as mezzanine lender), Ability (Hotels) Limited (as original mezzanine shareholder), Ability Hotels (Luton) Limited (as mezzanine borrower), Ability Hotels (Luton Inn) Limited and Ability Hotels (Cambridge) (as senior borrower), the entities listed therein (as original debtors), the entities listed therein (as original subordinated creditors), Mount Street Loan Solutions LLP (as security agent) and LaSalle Investment Management (as mezzanine security agent);

**"Mezzanine Facility Agreement"** means the mezzanine facility agreement dated the date of this Deed and made between Ability Hotels (Luton) Limited (as borrower), Ability Hotels (Luton Inn) Limited and Ability Hotels (Cambridge) Limited (as guarantors), LREDS II Sterling Holdings 2 S à r l (as original lender) and LaSalle Investment Management (as agent and security agent) (pursuant to which certain credit facilities are made available to Ability Hotels (Luton) Limited);

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

**"Permitted Security"** means any Security permitted pursuant to clause 21.3 (*Negative pledge*) of the Mezzanine Facility Agreement

**"Real Property"** means all Charged Property now or in future belonging to any Chargor, or in which any Chargor has an interest at any time (including the registered and unregistered land (if any) in England and Wales specified in part 1 of schedule 2 (*DETAILS OF SECURITY ASSETS*)),

**"Receivables"** means all present and future book debts and other debts, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, any Chargor (whether actual or contingent and whether arising under contract or in any other manner whatsoever), other than Rental Income, together with.

- (a) the benefit of all rights, guarantees, Security and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights), and

- (b) all proceeds of any of the foregoing,

**"Receiver"** means any receiver or receiver and manager or administrative receiver appointed by the Security Agent of the whole or any part of the Security Assets under this Deed,

**"Related Rights"** means, in relation to any Charged Security

- (a) all dividends, distributions and other income paid or payable on the relevant Charged Security or on any asset referred to in paragraph (b) of this definition, and
- (b) all rights, monies or property accruing or offered at any time in relation to such Charged Security whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,

**"Relevant Agent"** means the agent under the Mezzanine Facility Agreement,

**"Relevant Contract"** means each agreement specified in part 4 of schedule 2 (*DETAILS OF SECURITY ASSETS*), together with each other agreement supplementing or amending or novating or replacing the same,

**"Secured Liabilities"** means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of each Transaction Obligor (including the Chargors) to the Security Agent and/or the other Secured Parties (or any of them) under or pursuant to any Finance Document (including all monies covenanted to be paid under this Deed),

**"Secured Parties"** has the meaning given to that term in the Mezzanine Facility Agreement,

**"Security Agreement Security"** means the Security created or evidenced by or pursuant to this Deed,

**"Security Assets"** means all property and assets from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to this Deed,

**"Security Period"** means the period beginning on the date of this Deed and ending on the date on which

- (a) all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full, and
- (b) no Secured Party has any further commitment, obligation or liability under or pursuant to the Finance Documents,

**"Senior Facility Agreement"** means the senior facility agreement dated the date of this Deed and made between Ability Hotels (Luton Inn) Limited and Ability Hotels (Cambridge) Limited (as senior borrowers), Renshaw Bay LLP (as investment manager), the financial institution listed therein (as original lenders) and Mount Street Loan Solutions LLP (as agent and security agent) (pursuant to which certain credit facilities are made available to Ability Hotels (Luton Inn) Limited and Ability Hotels (Cambridge) Limited), and

**"Transaction Obligor"** has the meaning given to that term in the Mezzanine Facility Agreement

## **1.2 Interpretation**

- (a) Unless a contrary indication appears, in this Deed the provisions of clause 1.2 (*Construction*) of the Mezzanine Facility Agreement (other than clause 1.2(c)) will apply to this Deed as though they were set out in full in this Deed, except that references to "*this Agreement*" will be construed as references to this Deed
- (b) Unless a contrary indication appears, any reference in this Deed to
  - (i) a "**Chargor**", the "**Security Agent**" or any other "**Secured Party**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents,

- (ii) "this Deed", the "Senior Facility Agreement", the "Mezzanine Facility Agreement", any other "Finance Document" or any other agreement or instrument is a reference to this Deed, the Senior Facility Agreement, the Mezzanine Facility Agreement that other Finance Document or that other agreement or instrument as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the obligations of any Transaction Obligor or provides for further advances),
- (iii) "Secured Liabilities" includes obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of or similar event affecting any Transaction Obligor;
- (iv) "reasonable endeavours" includes payment by the relevant person of all its own and any third party's reasonable and necessary costs, fees and expenses,
- (v) "including" or "includes" means including or includes without limitation, and
- (vi) the singular includes the plural and vice versa
- (c) References to clauses and the schedule are to be construed, unless otherwise stated, as references to clauses and the schedule to this Deed and references to this Deed include its schedule unless otherwise stated
- (d) Each undertaking of a Chargor (other than a payment obligation) contained in this Deed.
  - (i) must be complied with at all times during the Security Period, and
  - (ii) is given by such Chargor for the benefit of the Security Agent and each other Secured Party
- (e) The terms of the other Finance Documents, and of any side letters between any of the parties to them in relation to any Finance Document, are incorporated in this Deed to the extent required to ensure that any disposition of the Real Property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989
- (f) If the Security Agent or the Relevant Agent reasonably considers that an amount paid by any Transaction Obligor to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of such Transaction Obligor, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
- (g) The Parties intend that this document shall take effect as a deed notwithstanding the fact that a Party may only execute this document under hand

### 1.3 Joint and several

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

**1.4 Inconsistency between this Deed and the Intercreditor Agreement**

If there is any conflict or inconsistency between any provision of this Deed and any provision of the Intercreditor Agreement, the provision of the Intercreditor Agreement shall prevail

**1.5 Trust**

All Security and dispositions made or created, and all obligations and undertakings contained, in this Deed to, in favour of or for the benefit of the Security Agent are made, created and entered into in favour of the Security Agent as trustee for the Secured Parties from time to time on the terms of the Mezzanine Facility Agreement

**1.6 Third party rights**

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed

**1.7 Delivery**

The Parties intend this Deed to be delivered on the first date specified on page 1 of this Deed

**2. COVENANT TO PAY**

**2.1 Covenant to pay**

- (a) Each Chargor, as principal obligor and not merely as surety, covenants in favour of the Security Agent that it will pay and discharge the Secured Liabilities from time to time when they fall due
- (b) Every payment by a Chargor of a Secured Liability which is made to or for the benefit of a Secured Party to which that Secured Liability is due and payable in accordance with the Finance Document under which such sum is payable to that Secured Party, shall operate in satisfaction to the same extent of the covenant contained in clause 2.1(a)

**2.2 Default interest**

Any amount which is not paid under this Deed when due shall bear interest (both before and after judgment and payable on demand) from the due date until the date on which such amount is unconditionally and irrevocably paid and discharged in full on a daily basis

- (a) at the rate and in the manner agreed in the Finance Document under which such amount is payable; or
- (b) (in the absence of such agreement) at the Default Rate as determined under the Mezzanine Facility Agreement from time to time. In such a case default interest will accrue from day to day on a year of 365 days and will be compounded at such intervals as the Security Agent (acting on the instructions of the Relevant Agent) states are appropriate

### **3. GRANT OF SECURITY**

#### **3.1 Nature of security**

All Security and dispositions created or made by or pursuant to this Deed are created or made

- (a) in favour of the Security Agent,
- (b) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, and
- (c) as continuing security for payment of the Secured Liabilities

#### **3.2 Qualifying floating charge**

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to this Deed (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986)

### **4. FIXED SECURITY**

#### **4.1 Fixed charges**

Each Chargor charges and agrees to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by it, or in which it from time to time has an interest

- (a) by way of first legal mortgage
  - (i) the Real Property specified in part 1 of schedule 2 (*DETAILS OF SECURITY ASSETS*), and
  - (ii) all other Real Property (if any) at the date of this Deed vested in, or charged to, such Chargor (not charged by clause 4 1(a)(i)),
- (b) by way of first fixed charge
  - (i) all other Real Property and all interests in Real Property (not charged by clause 4 1(a)),
  - (ii) all licences to enter upon or use land and the benefit of all other agreements relating to land,
  - (iii) the proceeds of sale of all Real Property, and
  - (iv) the benefit of any rental deposit given or charged to the Chargor by any occupier of any Real Property,
- (c) by way of first fixed charge all plant and machinery (not charged by clause 4 1(a) or 4 1(b)) and the benefit of all contracts, licences and warranties relating to the same,



- (d) by way of first fixed charge
  - (i) all computers, vehicles, office equipment and other equipment (not charged by clause 4 1(c)), and
  - (ii) the benefit of all contracts, licences and warranties relating to the same,
- (e) by way of first fixed charge
  - (i) the Charged Securities referred to in part 2 of schedule 2 (*DETAILS OF SECURITY ASSETS*), and
  - (ii) all other Charged Securities (not charged by clause 4.1(e)(i)),

in each case, together with (A) all Related Rights from time to time accruing to those Charged Securities and (B) all rights which such Chargor may have at any time against any clearance or settlement system or any custodian in respect of any Charged Investments,
- (f) by way of first fixed charge
  - (i) the Cash Collateral Accounts and all monies at any time standing to the credit of the Cash Collateral Accounts,
  - (ii) the Collection Accounts and all monies at any time standing to the credit of the Collection Accounts,
  - (iii) all other accounts of such Chargor (other than the General Account) with any bank, financial institution or other person at any time (not charged by clause 4 1(f)(i) or 4 1(f)(ii)) and all monies at any time standing to the credit of such accounts,

in each case, together with all interest from time to time accrued or accruing on such monies, any investment made out of such monies or account and all rights to repayment of any of the foregoing,
- (g) by way of first fixed charge the Intellectual Property,
- (h) to the extent that any Assigned Asset is not effectively assigned under clause 4 2 (*Security assignments*), by way of first fixed charge such Assigned Asset;
- (i) by way of first fixed charge (to the extent not otherwise charged or assigned in this Deed)
  - (i) the benefit of all licences, consents, agreements and Authorisations held or used in connection with the business of such Chargor or the use of any of its assets, and
  - (ii) all building contracts, appointments of professionals, collateral warranties and all rights in respect of any of them,
  - (iii) any letter of credit issued in favour of such Chargor and all bills of exchange and other negotiable instruments held by it, and

- (j) by way of first fixed charge all of the goodwill and uncalled capital of such Chargor

#### **4.2 Security assignments**

Each Chargor assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) all of its present and future right, title and interest in and to

- (a) all Rental Income (to the extent not validly mortgaged or charged within any of clause 4.1(a) or 4.1(b)),
- (b) the Relevant Contracts, all rights and remedies in connection with the Relevant Contracts and all proceeds and claims arising from them,
- (c) each of the following
  - (i) all Insurances specified in part 5 of schedule 2 (*DETAILS OF SECURITY ASSETS*), and
  - (ii) all other Insurances (not assigned by clause 4.2(c)(i)),and all claims under the Insurances and all proceeds of the Insurances, and
- (d) all other Receivables (not otherwise assigned under this clause 4.2)

To the extent that any Assigned Asset described in clause 4.2(c) is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all present and future rights and claims of such Chargor to any proceeds of such Insurances

#### **4.3 Notice of assignment and/or charge - immediate notice**

Immediately upon execution of this Deed (and immediately upon the obtaining of any Insurance or the execution of Occupational Lease or the opening of any Charged Account after the date of this Deed) each Chargor shall.

- (a) in respect of each Charged Account deliver a duly completed notice to the Account Bank and procure that the Account Bank executes and delivers to the Security Agent an acknowledgement, in each case in the respective forms set out in schedule 3 (*FORM OF NOTICE TO AND ACKNOWLEDGEMENT FROM ACCOUNT BANK*);
- (b) in respect of each Occupational Lease to which it is a party, deliver a duly completed notice to each tenant and each other party to that Occupational Lease and shall use its reasonable endeavours to procure that each such party executes and delivers to the Security Agent an acknowledgement, in each case in the respective forms set out in schedule 4 (*FORM OF NOTICE TO AND ACKNOWLEDGEMENT BY TENANT*);
- (c) in respect of each other Relevant Contract, deliver a duly completed notice of assignment to each other party to that document, and procure that each such party executes and delivers to the Security Agent an acknowledgement, in each case in the respective forms set out in schedule 5 (*FORM OF NOTICE TO AND ACKNOWLEDGEMENT BY PARTY TO RELEVANT CONTRACT*), and
- (d) in respect of each of its Insurances, deliver a duly completed notice of assignment to each other party to that Insurance, and shall use its reasonable endeavours to procure that each such party executes and delivers to the Security Agent an

acknowledgement, in each case in the respective forms set out in schedule 6 (*FORM OF NOTICE TO AND ACKNOWLEDGEMENT BY INSURERS*),

or, in each case, in such other form as the Security Agent shall agree

#### **4.4 Assigned Assets**

The Security Agent is not obliged to take any steps necessary to preserve any Assigned Asset, to enforce any term of a Relevant Contract against any person or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to this Deed

#### **5. FLOATING CHARGE**

Each Chargor charges and agrees to charge by way of first floating charge all of its present and future assets and undertaking (wherever located) not otherwise effectively charged by way of fixed mortgage or charge or assigned pursuant to clause 4.1 (*Fixed charges*), clause 4.2 (*Security assignments*) or any other provision of this Deed

#### **6. CONVERSION OF FLOATING CHARGE**

##### **6.1 Conversion by notice**

The Security Agent may, by written notice to a Chargor, convert the floating charge created under this Deed into a fixed charge as regards all or any of the assets of such Chargor specified in the notice if:

- (a) an Event of Default has occurred and is continuing, or
- (b) the Security Agent considers any Security Assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy

##### **6.2 Small companies**

The floating charge created under this Deed by any Chargor shall not convert into a fixed charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of such Chargor.

##### **6.3 Automatic conversion**

The floating charge created under this Deed shall (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge

- (a) in relation to any Security Asset which is subject to a floating charge if
  - (i) such Chargor creates (or attempts or purports to create) any Security (other than a Permitted Security) on or over the relevant Security Asset without the prior written consent of the Security Agent; or
  - (ii) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such Security Asset; and

- (b) over all Security Assets of a Chargor which are subject to a floating charge if an administrator is appointed in respect of such Chargor or the Security Agent receives notice of intention to appoint such an administrator (as contemplated by the Insolvency Act 1986)

#### **6.4 Partial conversion**

The giving of a notice by the Security Agent pursuant to clause 6.1 (*Conversion by notice*) in relation to any class of assets of any Chargor shall not be construed as a waiver or abandonment of the rights of the Security Agent to serve similar notices in respect of any other class of assets or of any other right of the Security Agent and/or the other Secured Parties

### **7. CONTINUING SECURITY**

#### **7.1 Continuing security**

The Security Agreement Security is continuing and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part. This Deed shall remain in full force and effect as a continuing security for the duration of the Security Period.

#### **7.2 Additional and separate security**

This Deed is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security which the Security Agent and/or any other Secured Party may at any time hold for any Secured Liability.

#### **7.3 Right to enforce**

This Deed may be enforced against each or any Chargor without the Security Agent and/or any Secured Party first having recourse to any other right, remedy, guarantee or Security held by or available to it or any of them.

### **8. LIABILITY OF CHARGORS RELATING TO SECURITY ASSETS**

Notwithstanding anything contained in this Deed or implied to the contrary, each Chargor remains liable to observe and perform all conditions and obligations assumed by it in relation to the Security Assets. The Security Agent is under no obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.

### **9. ACCOUNTS**

No monies at any time standing to the credit of any account (of any type and however designated) of any Chargor with the Security Agent and/or any Secured Party (or any of them) or in which any Chargor has an interest (and no rights and benefits relating thereto) shall be capable of being assigned to any person other than a Secured Party.

## **10. REPRESENTATIONS**

### **10.1 General**

Each Chargor makes the representations and warranties set out in this clause 10 to the Security Agent and each other Secured Party

### **10.2 Ownership of Security Assets**

Each Chargor is the sole legal and beneficial owner of all of the Security Assets identified against its name in schedule 2 (*DETAILS OF SECURITY ASSETS*)

### **10.3 Charged Securities**

The Charged Securities listed in part 2 of schedule 2 (*DETAILS OF SECURITY ASSETS*) are fully paid and constitute the entire share capital owned by each Chargor in the relevant company

### **10.4 Real Property**

Part 1 of schedule 2 (*DETAILS OF SECURITY ASSETS*) identifies all freehold and leasehold Real Property which is beneficially owned by each Chargor at the date of this Deed

### **10.5 Time when representations made**

- (a) All the representations and warranties in this clause 10 are made by each Chargor on the date of this Deed and (except for those in clause 10.3 (*Charged Securities*) and clause 10.4 (*Real Property*)) are also deemed to be made by each Chargor
  - (i) on the date of each Utilisation Request and each Utilisation Date under the Mezzanine Facility Agreement, and
  - (ii) on the first day of each Interest Period under the Mezzanine Facility Agreement
- (b) Each representation or warranty deemed to be made after the date of this Deed shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

## **11. UNDERTAKINGS BY THE CHARGORS**

### **11.1 Negative pledge and disposals**

No Chargor shall do or agree to do any of the following without the prior written consent of the Security Agent.

- (a) create or permit to subsist any Security or Quasi-Security on any Security Asset except a Permitted Security as permitted by the Mezzanine Facility Agreement, or
- (b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not) the whole or any part of its interest in any Security Asset (except as permitted by the Mezzanine Facility Agreement).

#### **11.2 Deposit of documents and notices**

Each Chargor shall

- (a) unless the Security Agent otherwise confirms in writing (and without prejudice to clause 11.9(a)), deposit with the Security Agent
  - (i) all deeds and documents of title relating to the Security Assets, and
  - (ii) all local land charges, land charges and Land Registry search certificates and similar documents received by or on behalf of a Chargor,(each of which the Security Agent may hold throughout the Security Period), and
- (b) immediately on request by the Security Agent, affix to any plant, machinery, fixtures, fittings, computers, vehicles, office equipment, other equipment and other asset for the time being owned by it (in a prominent position) a durable notice of this Deed (in any form required by the Security Agent)

#### **11.3 Real Property**

- (a) Each Chargor shall, in respect of any freehold or leasehold Real Property which is acquired by it after the date of this Deed, the title which is registered at the Land Registry or the title to which is required to be so registered
  - (i) give the Land Registry written notice of this Deed, and
  - (ii) procure that notice of this Deed is clearly noted in the Register to each such title
- (b) Each Chargor shall grant the Security Agent on request all facilities within the power of such Chargor to enable the Security Agent (or its lawyers) to carry out investigations of title to the Real Property and to make all enquiries in relation to any part of the Real Property which a prudent mortgagee might carry out. Those investigations shall be carried out at the expense of such Chargor.
- (c) As soon as reasonably possible following demand by the Security Agent, each Chargor shall at its own expense provide the Security Agent with a report as to title of such Chargor to its Real Property (concerning those items which may properly be sought to be covered by a prudent mortgagee in a lawyer's report of this nature)

#### **11.4 Insurance**

- (a) Each Chargor shall at all times comply with its obligations as to insurance and the proceeds of insurance contained in clause 22.10 (*Insurances*) of the Mezzanine Facility Agreement
- (b) Each Chargor shall notify the Security Agent if any claim arises or may be made under the Insurances
- (c) Each Chargor shall, subject to the rights of the Security Agent under clause 11.4(d), diligently pursue its rights under the Insurances

(d) In relation to the proceeds of Insurances

- (i) unless otherwise provided in the Mezzanine Facility Agreement, the Security Agent shall be first loss payee under any such claim and it shall have the sole right to
  - (A) settle or sue for any such claim (but before a Default shall do so as agent for the relevant Chargor), and
  - (B) give any discharge for insurance monies, and
- (ii) subject to the Intercreditor Agreement, all claims and monies received or receivable under any Insurances shall (subject to the rights or claims of any lessor or landlord of any part of the Security Assets) be applied.
  - (A) in accordance with the Mezzanine Facility Agreement, or
  - (B) after any notice has been given or rights exercised under clause 23 18 (*Acceleration*) of the Mezzanine Facility Agreement, in permanent reduction of the Secured Liabilities, in accordance with the Mezzanine Facility Agreement

**11.5 Rental Income**

Each Chargor shall

- (a) without prejudice to clause 11.1 (*Negative pledge and disposals*) (but in addition to the restrictions in that clause), not, without the prior written consent of the Security Agent, sell, assign, charge, factor or discount or in any other manner deal with any Receivables,
- (b) collect all Receivables promptly and deal with it in accordance with the Mezzanine Facility Agreement and, in particular clause 16 (*Bank Accounts*) of the Mezzanine Facility Agreement

**11.6 Operation of Cash Collateral Accounts**

No Chargor shall withdraw or attempt or be entitled to withdraw (or direct any transfer of) all or any part of the monies in any Cash Collateral Account unless expressly permitted to do so under the Mezzanine Facility Agreement, or with the prior written consent of the Security Agent and the Security Agent shall be entitled (in its absolute discretion) to refuse to permit any such withdrawal or transfer

**11.7 Dealings with Receivables and operation of Collection Accounts**

- (a) Each Chargor shall.
  - (i) without prejudice to clause 11.1 (*Negative pledge and disposals*) (but in addition to the restrictions in that clause), not, without the prior written consent of the Security Agent, sell, assign, charge, factor or discount or in any other manner deal with any Receivable,
  - (ii) collect all Receivables promptly in the ordinary course of trading as agent for the Security Agent; and

(iii) immediately upon receipt pay all monies which it receives in respect of the Receivables into

(A) such specially designated account(s) with the Security Agent as the Security Agent may from time to time direct, or

(B) such other account(s) with such other bank as the Security Agent may from time to time direct,

(each such account(s) together with all additions to or renewals or replacements thereof (in whatever currency) being a "Collection Account") and

(iv) pending such payment, hold all monies so received upon trust for the Security Agent,

provided that clause 11.7(a)(ii) to 11.7(a)(iv) will not take effect.

(A) in relation to the proceeds of any Insurances, if and for so long as the requirements of the Mezzanine Facility Agreement are complied with,

(B) in relation to any other Receivable unless and until the Security Agent gives a written notice to that effect, which notice may not be given until a Default has occurred

(b) Subject to the terms of the Mezzanine Facility Agreement, and clause 11.7(a), each Chargor shall deal with the Receivables (both collected and uncollected) and the Collection Accounts in accordance with any directions given in writing from time to time by the Security Agent and, in default of and subject to such directions, in accordance with this Deed

(c) No Chargor shall withdraw, attempt or be entitled to withdraw (or direct any transfer of) all or any part of the monies in any Collection Account without the prior written consent of the Security Agent and the Security Agent shall be entitled (in its absolute discretion) to refuse to permit any such withdrawal or transfer

(d) Each Chargor shall deliver to the Security Agent such information as to the amount and nature of its Receivables as the Security Agent may from time to time reasonably require (taking into account the requirements of the Finance Documents).

#### **11.8 Account Bank and notices**

(a) The initial Account Bank is [REDACTED]

(b) The Account Bank may only be changed to another bank or financial institution with the consent of the Security Agent

(c) Each Chargor shall take any action which the Agent requires to facilitate a change of Account Bank and any transfer of credit balances (including the execution of bank mandate forms) and irrevocably appoints the Security Agent as its attorney to take any such action if that Chargor should fail to do so.



#### **11.9 Charged Investments - protection of security**

- (a) Each Chargor shall, immediately upon execution of this Deed or (if later) as soon as is practicable after its acquisition of any Charged Securities, by way of security for the Secured Liabilities
  - (i) deposit with the Security Agent (or as the Security Agent may direct) all certificates and other documents of title or evidence of ownership to the Charged Securities and their Related Rights, and
  - (ii) execute and deliver to the Security Agent
    - (A) instruments of transfer in respect of the Charged Securities (executed in blank and left undated), and/or
    - (B) such other documents as the Security Agent shall require to enable it (or its nominees) to be registered as the owner of or otherwise to acquire a legal title to the Charged Securities and their Related Rights (or to pass legal title to any purchaser).
- (b) Each Chargor shall
  - (i) promptly give notice to any custodian of any agreement with such Chargor in respect of any Charged Investment in a form the Security Agent may require, and
  - (ii) use its reasonable endeavours to ensure that the custodian acknowledges that notice in a form the Security Agent may require
- (c) Each Chargor shall promptly pay all calls or other payments which may become due in respect of its Charged Investments
- (d) No Chargor shall nominate another person to enjoy or exercise all or any specified rights of the Chargor in relation to its Charged Investments, as contemplated by section 145 of the Companies Act 2006 or otherwise.
- (e) Without limiting its obligations under clause 11.11(f), each Chargor shall comply with all requests for information within its knowledge relating to the Charged Investments which are made under section 793 of the Companies Act 2006 or which could be made under section 793 if the relevant company were a public limited company or under any similar provision contained in the articles of association or other constitutional documents of the relevant company relating to the Charged Investments and, if it fails to do so, the Security Agent may provide such information as it may have on behalf of such Chargor

#### **11.10 Rights of the Parties in respect of Charged Investments**

- (a) Until an Event of Default occurs, each Chargor shall be entitled to
  - (i) receive and retain all dividends, distributions and other monies paid on or derived from its Charged Securities, and
  - (ii) exercise all voting and other rights and powers attaching to its Charged Securities, provided that it must not do so in a manner which:

- (A) has the effect of changing the terms of such Charged Securities (or any class of them) or of any Related Rights unless permitted by the Finance Documents, or
  - (B) is prejudicial to the interests of the Security Agent and/or the other Secured Parties
- (b) At any time following the occurrence of an Event of Default which is continuing, the Security Agent may complete the instrument(s) of transfer for all or any Charged Securities on behalf of any Chargor in favour of itself or such other person as it may select
- (c) At any time when any Charged Security is registered in the name of the Security Agent or its nominee, the Security Agent shall be under no duty to
  - (i) ensure that any dividends, distributions or other monies payable in respect of such Charged Security are duly and promptly paid or received by it or its nominee,
  - (ii) verify that the correct amounts are paid or received, or
  - (iii) take any action in connection with the taking up of any (or any offer of any) Related Rights in respect of or in substitution for, any such Charged Security.

#### **11.11 Security Assets generally**

Each Chargor shall

- (a) notify the Security Agent within 14 days of receipt of every material notice, order, application, requirement or proposal given or made in relation to the Security Assets by any competent authority, and (if required by the Security Agent)
  - (i) immediately provide it with a copy of the same, and
  - (ii) either (A) comply with such notice, order, application, requirement or proposal or (B) make such objections to the same as the Security Agent may require or approve,
- (b) pay all rates, rents and other outgoings owed by it in respect of the Security Assets,
- (c) comply with
  - (i) all obligations in relation to the Security Assets under any present or future regulation or requirement of any competent authority or any Authorisation, and
  - (ii) all covenants and obligations affecting any Security Asset (or its manner of use),
- (d) maintain in good and substantial working order and condition (ordinary wear and tear excepted) all of the Security Assets necessary or desirable for the conduct of its business,

- (e) not, except with the prior written consent of the Security Agent (acting reasonably), enter into any onerous or restrictive obligation affecting any Security Assets (except as expressly permitted under the Mezzanine Facility Agreement),
- (f) provide the Security Agent with all information which it may reasonably request in relation to the Security Assets, and
- (g) not do, cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any Security Asset (or make any omission which has such an effect)

#### **11.12 Access**

Each Chargor shall permit the Security Agent and any person nominated by it at all reasonable times with reasonable notice to enter any part of the Real Property and view the state of it

### **12. POWER TO REMEDY**

#### **12.1 Power to remedy**

If at any time a Chargor does not comply with any of its obligations under the Finance Documents, the Security Agent (without prejudice to any other rights arising as a consequence of such non-compliance) shall be entitled (but not bound) to rectify that default. The relevant Chargor irrevocably authorises the Security Agent and its employees and agents by way of security to do all such things (including entering the property of such Chargor) which are necessary or desirable to rectify that default.

#### **12.2 Mortgagee in possession**

The exercise of the powers of the Security Agent under this clause 12 shall not render it, or any other Secured Party, liable as a mortgagee in possession.

#### **12.3 Monies expended**

The relevant Chargor shall pay to the Security Agent on demand any monies which are properly expended by the Security Agent in exercising its powers under this clause 12, together with interest at the Default Rate determined under the Mezzanine Facility Agreement from the date on which those monies were expended by the Security Agent (both before and after judgment) and otherwise in accordance with clause 2.2 (*Default interest*).

### **13. WHEN SECURITY BECOMES ENFORCEABLE**

#### **13.1 When enforceable**

This Security Agreement shall become immediately enforceable upon the occurrence of an Event of Default.

#### **13.2 Statutory powers**

The power of sale and other powers conferred by section 101 of the Act (as amended or extended by this Deed) shall be immediately exercisable upon and at any time after the occurrence of any Event of Default.

### **13.3 Enforcement**

Subject to the Intercreditor Agreement, after this Security Agreement Security has become enforceable, the Security Agent may in its absolute discretion enforce all or any part of the Security Agreement Security in such manner as it sees fit.

## **14. ENFORCEMENT OF SECURITY**

### **14.1 General**

For the purposes of all rights and powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed. Sections 93 and 103 of the Act shall not apply to the Security Agreement Security.

### **14.2 Powers of leasing**

The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with section 99 or 100 of the Act.

### **14.3 Powers of Security Agent**

- (a) At any time after the Security Agreement Security becomes enforceable (or if so requested by any Chargor by written notice at any time), the Security Agent may without further notice (unless required by law)
  - (i) appoint any person (or persons) to be a receiver, receiver and manager or administrative receiver of all or any part of the Security Assets and/or of the income of the Security Assets, and/or
  - (ii) appoint or apply for the appointment of any person who is appropriately qualified as administrator of a Chargor; and/or
  - (iii) exercise all or any of the powers conferred on mortgagees by the Act (as amended or extended by this Deed) and/or all or any of the powers which are conferred by this Deed on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver, and/or
  - (iv) exercise (in the name of any Chargor and without any further consent or authority of such Chargor) any voting rights and any powers or rights which may be exercised by any person(s) in whose name any Charged Investment is registered or who is the holder of any of them
- (b) The Security Agent is not entitled to appoint a Receiver in respect of any Security Assets of any Chargor which are subject to a charge which (as created) was a floating charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of such Chargor.

#### 14.4 Redemption of prior mortgages

At any time after the Security Agreement Security has become enforceable, the Security Agent may

- (a) redeem any prior Security against any Security Asset, and/or
- (b) procure the transfer of that Security to itself, and/or
- (c) settle and pass the accounts of the holder of any prior Security and any accounts so settled and passed shall be conclusive and binding on each Chargor

All principal, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the relevant Chargor to the Security Agent on demand

#### 14.5 Privileges

- (a) 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.
- (b) To the extent that the Security Assets constitute "*financial collateral*" and this Deed and the obligations of the Chargors under this Deed constitute a "*security financial collateral arrangement*" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003) (SI 2003 No 3226) each Receiver and the Security Agent shall have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.
- (c) For the purpose of clause 14.5(b), the value of the financial collateral appropriated shall be such amount as the Receiver or Security Agent reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it

#### 14.6 No liability

- (a) Neither the Security Agent, any other Secured Party nor any Receiver shall be liable (A) in respect of all or any part of the Security Assets or (B) for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, its or his respective powers (unless such loss or damage is caused by its or his gross negligence or wilful misconduct)
- (b) Without prejudice to the generality of clause 14.6(a), neither the Security Agent, any other Secured Party nor any Receiver shall be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable

#### **14.7 Protection of third parties**

No person (including a purchaser) dealing with the Security Agent or any Receiver or Delegate will be concerned to enquire

- (a) whether the Secured Liabilities have become payable,
- (b) whether any power which the Security Agent or the Receiver is purporting to exercise has become exercisable,
- (c) whether any money remains due under any Finance Document, or
- (d) how any money paid to the Security Agent or to the Receiver is to be applied

### **15. RECEIVER**

#### **15.1 Removal and replacement**

The Security Agent may from time to time remove any Receiver appointed by it (subject, in the case of an administrative receivership, to section 45 of the Insolvency Act 1986) and, whenever it may deem appropriate, may appoint a new Receiver in the place of any Receiver whose appointment has terminated

#### **15.2 Multiple Receivers**

If at any time there is more than one Receiver of all or any part of the Security Assets and/or the income of the Security Assets, each Receiver shall have power to act individually (unless otherwise stated in the appointment document)

#### **15.3 Remuneration**

Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Security Agent (or, failing such agreement, to be fixed by the Security Agent)

#### **15.4 Payment by Receiver**

Only monies actually paid by a Receiver to the Security Agent in relation to the Secured Liabilities shall be capable of being applied by the Security Agent in discharge of the Secured Liabilities

#### **15.5 Agent of Chargors**

Any Receiver shall be the agent of the Chargor in respect of which it is appointed. Such Chargor shall (subject to the Companies Act 2006 and the Insolvency Act 1986) be solely responsible for his acts and defaults and for the payment of his remuneration. No Secured Party shall incur any liability (either to such Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

## **16. POWERS OF RECEIVER**

### **16.1 General powers**

Any Receiver shall have.

- (a) all the powers which are conferred on the Security Agent by clause 14.3 (*Powers of Security Agent*),
- (b) all the powers which are conferred by the Act on mortgagees in possession and receivers appointed under the Act,
- (c) (whether or not he is an administrative receiver) all the powers which are listed in schedule 1 of the Insolvency Act 1986, and
- (d) all powers which are conferred by any other law conferring power on receivers

### **16.2 Additional powers**

In addition to the powers referred to in clause 16.1 (*General powers*), a Receiver shall have the following powers

- (a) to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which he was appointed,
- (b) to manage the Security Assets and the business of any Chargor as he thinks fit,
- (c) to redeem any Security and to borrow or raise any money and secure the payment of any money in priority to the Secured Liabilities for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise,
- (d) to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Assets in respect of which he was appointed without the need to observe the restrictions imposed by section 103 of the Act, and, without limitation,
  - (i) fixtures may be severed and sold separately from the Real Property containing them, without the consent of any Chargor,
  - (ii) the consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party), and
  - (iii) any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit,
- (e) to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which any Chargor was concerned or interested before his appointment (being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land),

- (f) to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying, transferring, assigning or leasing the same in the name of the relevant Chargor and, for that purpose, to enter into covenants and other contractual obligations in the name of, and so as to bind, such Chargor;
- (g) to take any such proceedings (in the name of any of the relevant Chargors or otherwise) as he shall think fit in respect of the Security Assets and/or income in respect of which he was appointed (including proceedings for recovery of rent or other monies in arrears at the date of his appointment),
- (h) to enter into or make any such agreement, arrangement or compromise as he shall think fit,
- (i) to insure, and to renew any insurances in respect of, the Security Assets as he shall think fit (or as the Security Agent shall direct),
- (j) to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit (including, without prejudice to the generality of the foregoing power, to employ his partners and firm),
- (k) to form one or more Subsidiaries of any Chargor and to transfer to any such Subsidiary all or any part of the Security Assets,
- (l) to operate any rent review clause in respect of any Real Property in respect of which he was appointed (or any part thereof) and to apply for any new or extended lease, and
- (m) to
  - (i) give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary or desirable for the realisation of any Security Asset;
  - (ii) exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets, and
  - (iii) use the name of any Chargor for any of the above purposes

## **17. APPLICATION OF PROCEEDS AND INTERCREDITOR AGREEMENT**

### **17.1 Application**

All monies received by the Security Agent or any Receiver after the Security Agreement Security has become enforceable shall (subject to the rights and claims of any person having a security ranking in priority to the Security Agreement Security and subject to the Intercreditor Agreement) be applied in the following order

- (a) *first*, in satisfaction of, or provision for, all costs, charges and expenses properly incurred and payments properly made by the Security Agent, any other Secured Party or any Receiver or Delegate and of all remuneration due to the Receiver in connection with this Deed or the Security Assets,



- (b) *secondly*, in or towards satisfaction of the remaining Secured Liabilities in accordance with clause 17.3 (*Appropriation, Intercreditor Agreement* and suspense account), and
- (c) *thirdly*, in payment of any surplus to any Chargor or other person entitled to it

## 17.2 Contingencies

If the Security Agreement Security is enforced at a time when no amounts are due under the Finance Documents (but at a time when amounts may become so due), the Security Agent or a Receiver may pay the proceeds of any recoveries effected by it into a blocked suspense account (bearing interest at such rate (if any) as the Security Agent may determine)

## 17.3 Appropriation, Intercreditor Agreement and suspense account

- (a) Subject to the Intercreditor Agreement and clause 17.1 (*Application*), the Security Agent shall apply all payments received in respect of the Secured Liabilities in reduction of any part of the Secured Liabilities in any order or manner which it may determine
- (b) Any such appropriation shall override any appropriation by any Chargor
- (c) All monies received, recovered or realised by the Security Agent under or in connection with this Deed may at the discretion of the Security Agent be credited to a separate interest-bearing suspense account for so long as the Security Agent determines (with interest accruing thereon at such rate (if any) as the Security Agent may determine without the Security Agent having any obligation to apply such monies and interest or any part of it in or towards the discharge of any of the Secured Liabilities unless such monies would clear all Secured Liabilities in full

## 18. SET-OFF

### 18.1 Set-off rights

- (a) The Security Agent and each other Secured Party may (but shall not be obliged to) set off any obligation which is due and payable by any Chargor and unpaid (whether under the Finance Documents or which has been assigned to the Security Agent or such other Secured Party by any other Chargor) against any obligation (whether or not matured) owed by the Security Agent or such other Secured Party to such Chargor, regardless of the place of payment, booking branch or currency of either obligation
- (b) At any time after the Security Agreement Security has become enforceable (and in addition to its rights under clause 18.1(a)), the Security Agent and each other Secured Party may (but shall not be obliged to) set-off any contingent liability owed by a Chargor under any Finance Document against any obligation (whether or not matured) owed by the Security Agent or such other Secured Party to such Chargor, regardless of the place of payment, booking branch or currency of either obligation
- (c) If the obligations are in different currencies, the Security Agent or such other Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off

- (d) If either obligation is unliquidated or unascertained, the Security Agent or such other Secured Party may set off in an amount estimated by it in good faith to be the amount of that obligation

## **18.2 Time deposits**

Without prejudice to clause 18.1 (*Set-off*), if any time deposit matures on any account which any Chargor has with the Security Agent or any other Secured Party at a time within the Security Period when.

- (a) this Security Agreement Security has become enforceable, and
- (b) no Secured Liability is due and payable,

such time deposit shall automatically be renewed for such further maturity as the Security Agent or such other Secured Party in its absolute discretion considers appropriate unless the Security Agent or such other Secured Party otherwise agrees in writing

## **19. DELEGATION**

Each of 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 them under this Deed upon any terms (including power to sub-delegate) which it may think fit. Neither the Security Agent nor any Receiver shall be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate.

## **20. FURTHER ASSURANCES**

### **20.1 Further action**

Each Chargor shall at its own expense, immediately do all acts and execute all documents as the Security Agent or a Receiver may reasonably specify (and in such form as the Security Agent or a Receiver may reasonably require) for

- (a) creating, perfecting or protecting the Security intended to be created by this Deed or any other Security Document,
- (b) facilitating the realisation of any Security Asset,
- (c) facilitating the exercise of any rights, powers and remedies exercisable by the Security Agent, any other Secured Party or any Receiver or any Delegate in respect of any Security Asset or provided by or pursuant to the Finance Documents or by law, or
- (d) creating and perfecting Security in favour of the Security Agent or the other Secured Parties over any property and assets of that Chargor located in any jurisdiction outside England and Wales equivalent or similar to the Security intended to be created by or pursuant to this Deed or any other Security Document

This includes

- (i) the re-execution of this Deed or such Security Document,

- (ii) the execution of any legal mortgage, charge, transfer, conveyance, assignment, assignation or assurance of any property, whether to the Security Agent or to its nominee, and
- (iii) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Agent may think expedient

## **20.2 Finance Documents**

Each 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 Secured Parties by or pursuant to the Finance Documents.

## **20.3 Specific security**

Without prejudice to the generality of clause 20.1 (*Further action*), each Chargor will immediately upon request by the Security Agent execute any document contemplated by that clause over any Security Asset which is subject to or intended to be subject to any fixed security under this Deed (including any fixed security arising or intended to arise pursuant to clause 6 (*CONVERSION OF FLOATING CHARGE*))

## **21. POWER OF ATTORNEY**

Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any Delegate to be its attorney to take any action whilst an Event of Default is continuing or enforcement of the Security Agreement Security has occurred which such Chargor is obliged to take under this Deed, including under clause 20 (*FURTHER ASSURANCES*) or, if no Event of Default is continuing, which such Chargor has failed to take. Each Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.

## **22. CURRENCY CONVERSION**

All monies received or held by the Security Agent or any Receiver under this Deed may be converted from their existing currency into the currency of account pursuant to the Mezzanine Facility Agreement thereafter at the Relevant Agent's spot rate of exchange. Each Chargor shall indemnify the Security Agent against all costs, charges and expenses incurred in relation to such conversion. Neither the Security Agent nor any Receiver shall have any liability to any Chargor in respect of any loss resulting from any fluctuation in exchange rates after any such conversion.

## **23. CHANGES TO THE PARTIES**

### **23.1 Chargors**

No Chargor may assign any of its rights or obligations under this Deed.

### **23.2 Security Agent**

The Security Agent may assign or transfer all or any part of its rights under this Deed pursuant to the resignation or removal of the Security Agent in accordance with the Finance

Documents Each Chargor shall, not later than seven Business Days after being requested to do so by the Security Agent, enter into such documents as may be necessary or desirable to effect such assignment or transfer (provided such documentation shall not alter or amend any Chargor's rights and obligations under this Deed unless otherwise agreed by the relevant Chargor)

## **24. MISCELLANEOUS**

### **24.1 New accounts**

- (a) If the Security Agent or any other Secured Party receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security (other than a Permitted Security) affecting any Security Asset and/or the proceeds of sale of any Security Asset or any guarantee under the Finance Documents ceases to continue in force, it may open a new account or accounts for any Chargor. If it 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 such notice.
- (b) As from that time all payments made to the Security Agent or such other Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any amount of the Secured Liabilities.

### **24.2 Tacking**

- (a) Each Finance Party shall perform its obligations under the Mezzanine Facility Agreement (including any obligation to make available further advances).
- (b) This Deed secures advances already made and further advances to be made.

### **24.3 Land Registry**

- (a) Each Chargor shall apply to the Chief Land Registrar (and consents to such an application being made by or on behalf of the Security Agent) for a restriction in the following terms to be entered on the Register of Title relating to any property registered at the Land Registry (or any unregistered land subject to first registration) and against which this Deed may be noted:

*"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [ ♦ ] 20[ ♦ ] in favour of LaSalle Investment Management referred to in the charges register or their conveyancer"*

- (b) Each Chargor
  - (i) authorises the Security Agent to make any application which the Security Agent deems appropriate for the designation of this Deed, the Mezzanine Facility Agreement or any other Finance Document as an exempt information document under rule 136 of the Land Registration Rules 2003,
  - (ii) shall use its best endeavours to assist with any such application made by or on behalf of the Security Agent, and
  - (iii) shall notify the Security Agent in writing as soon as it receives notice of any person's application under rule 137 of the Land Registration Rules 2003 for

the disclosure of this Deed, the Mezzanine Facility Agreement or any other Finance Document following its designation as an exempt information document

- (c) No Chargor shall make any application under rule 138 of the Land Registration Rules 2003 for the removal of the designation of any such document as an exempt information document.
- (d) Each Chargor shall promptly make all applications to and filings with the Land Registry which are necessary or desirable under the Land Registration Rules 2003 to protect the Security Agreement Security

#### **24.4 Protective clauses**

- (a) Each Chargor is deemed to be a principal debtor in relation to this Deed. The obligations of each Chargor under, and the Security intended to be created by, this Deed shall not be impaired by any forbearance, neglect, indulgence, extension or time, release, surrender or loss of securities, dealing, amendment or arrangement by the Security Agent or any other Secured Party which would otherwise have reduced, released or prejudiced this Security Agreement Security or any surety liability of a Chargor (whether or not known to it or to the Security Agent or to any other Secured Party)
- (b) Clause 17 (*Guarantee and indemnity*) of the Mezzanine Facility Agreement applies in relation to this Deed as if references to the obligations referred to in such clauses respectively were references to the obligations of each Chargor under this Deed

#### **25. NOTICES**

Clause 32 of the Mezzanine Facility Agreement (*Notices*) (other than paragraph (c) of clause 32.3 (Delivery) and clause 32.5 (*Electronic communication*)) is incorporated into this Deed as if fully set out in this Deed and the address and fax numbers of each Party for all communications or documents given under or in connection with this Deed are those identified with its name in the execution pages to this Deed or subsequently notified from time to time by the relevant Party for the purposes of the Mezzanine Facility Agreement or this Deed

#### **26. CALCULATIONS AND CERTIFICATES**

Any certificate of or determination by a Secured Party, the Security Agent or the Relevant Agent specifying the amount of any Secured Liability due from the Chargors (including details of any relevant calculation thereof) is, in the absence of manifest error, conclusive evidence against the Chargors of the matters to which it relates

#### **27. PARTIAL INVALIDITY**

All the provisions of this Deed are severable and distinct from one another and if at any time any provision is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of any 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

**28. REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of the Security Agent (or any other Secured Party), any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise, or the exercise of any other right or remedy. The rights and remedies provided are cumulative and not exclusive of any rights or remedies provided by law.

**29. AMENDMENTS AND WAIVERS**

Any provision of this Deed may be amended only if the Security Agent and the Chargors so agree in writing and any breach of this Deed may be waived before or after it occurs only if the Security Agent so agrees in writing. A waiver given or consent granted by the Security Agent under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

**30. COUNTERPARTS**

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

**31. RELEASE**

**31.1 Release**

Upon the expiry of the Security Period (but not otherwise) the Security Agent shall, at the request and cost of the Chargors, take whatever action is necessary to release or re-assign (without recourse or warranty) the Security Assets from the Security.

**31.2 Reinstatement**

Where any discharge (whether in respect of the obligations of any Chargor or any Security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise (without limitation), the liability of the Chargors under this Deed shall continue as if the discharge or arrangement had not occurred. The Security Agent may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

**32. GOVERNING LAW**

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

**33. JURISDICTION**

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

- (c) This clause 33 is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

**IN WITNESS** of which this Deed has been duly executed by each Chargor as a deed and duly executed by the Security Agent and has been delivered on the first date specified on page 1 of this Deed.

**SCHEDULE 1: THE CHARGORS**

<b>Company name</b>	<b>Registered number</b>	<b>Registered office</b>
Ability Hotels (Luton) Limited	06589180	Top Floor, Hampton By Hilton, 42-50 Kimpton Road, Luton, Bedfordshire LU2 0NB



## SCHEDULE 2 DETAILS OF SECURITY ASSETS

### Part 1: Real Property

Registered land			
Chargor	Address	Administrative area	Title number
Intentionally blank	Intentionally blank	Intentionally blank	Intentionally blank

### Part 2. Charged Securities

All stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or "investments" (as defined in part II of schedule II to the Financial Services and Markets Act 2000 as in force at the date of this Deed) in or issued by (i) Ability Hotels (Luton Inn) Limited (incorporated in England and Wales with registered number 05342812) and (ii) Ability Hotels (Cambridge) Limited (incorporated in England and Wales with registered number 06418183), in each case now or in future owned (legally or beneficially) by a Chargor or held by a nominee, trustee, fiduciary or clearance system on its behalf or in which any Chargor has an interest at any time

### Part 3. Charged Accounts

Cash Collateral Accounts				
Account holder	Account number	Type	Account Bank	Account bank branch address and sort code
Ability Hotels (Luton) Limited				
Ability Hotels (Luton) Limited				
Ability Hotels (Luton) Limited				

General Account			
Account holder	Account number	Account Bank	Account bank branch address and sort code
Ability Hotels (Luton) Limited			

**Part 4: Relevant Contracts**

Chargor	Date of Relevant Contract	Parties	Details of Relevant Contract
Ability Hotels (Luton) Limited	Intentionally blank	Intentionally blank	Intentionally blank

**Part 5: Insurances**

Chargor	Insurer	Policy number
Ability Hotels (Luton) Limited	Intentionally blank	Intentionally blank

**SCHEDULE 3: FORM OF NOTICE TO AND ACKNOWLEDGEMENT FROM ACCOUNT BANK**

To [insert name and address of Account Bank]

Dated [◆] ] 20[◆]

Dear Sirs

Re: Account holders [◆] [(the "Chargors")]

- 1 We give notice that, by a security agreement dated [◆] 20[◆] (the "Security Agreement"), we have charged to [◆] (the "Security Agent") as Security Agent for certain banks and others (as referred to in the Security Agreement) all our present and future right, title and interest in and to
  - (a) the Cash Collateral Accounts (as defined in the schedule to this letter), all monies standing to the credit of the Cash Collateral Accounts and all additions to or renewals or replacements thereof (in whatever currency),
  - (b) the General Account (as defined in the schedule to this letter), all monies standing to the credit of the General Account, the FF&E Account and the Operating Account and all additions to or renewals or replacements thereof (in whatever currency), and
  - (c) *[In respect of Collection Accounts* - the Collection Accounts (as defined in the schedule to this letter), all monies from time to time standing to the credit of the Collection Accounts and all additions to or renewals or replacements thereof (in whatever currency), and]
  - (d) all other accounts from time to time maintained with you by each Chargor and all monies at any time standing to the credit of such accounts,(together the "Charged Accounts") and to all interest from time to time accrued or accruing on the Charged Accounts, any investment made out of any such monies or account and all rights to repayment of any of the foregoing by you
- 2 We advise you that, under the terms of the Security Agreement, we are not entitled to withdraw any monies from
  - (a) the Cash Collateral Accounts without first having obtained the prior written consent of the Security Agent,
  - (b) *[In respect of Collection Accounts* - the Collection Accounts without first having obtained the prior written consent of the Security Agent],
  - (c) the General Account without first having obtained the prior written consent of the Security Agent except to the extent that such consent is given in this notice, or
  - (d) any other Charged Account without first having obtained the prior written consent of the Security Agent
- 3 The Security Agent, by its countersignature of this notice, agrees that
  - (a) the [relevant] Chargor may continue to withdraw monies from the General Account, and

- (b) [subject to the Intercreditor Agreement between us] you may debit to the General Account amounts due to you from the [relevant] Chargor,

until you receive notice from the Security Agent that it or you may no longer do so. The Security Agent may by notice to you at any time amend or withdraw this consent.

4 We irrevocably authorise and instruct you from time to time

- (a) unless the Security Agent so authorises you in writing, not to permit withdrawals from:

- (i) the Cash Collateral Accounts,

- (ii) the General Account, or

- (iii) [the Collection Accounts],

or any other Charged Account except to the extent that any withdrawal is expressly permitted by this notice and such permission has not been withdrawn,

- (b) to hold all monies from time to time standing to the credit of the Charged Accounts (other than the General Account until you receive written notice from the Security Agent to that effect) to the order of the Security Agent,

- (c) to pay all or any part of the monies standing to the credit of the Charged Accounts to the Security Agent (or as it may direct) promptly following receipt of written instructions from the Security Agent to that effect, and

- (d) to disclose to the Security Agent such information relating to the Chargors and the Charged Accounts as the Security Agent may from time to time request you to provide

5 We agree that you are not bound to enquire whether the right of the Security Agent to withdraw any monies from any Charged Account has arisen or be concerned with (a) the propriety or regularity of the exercise of that right or (b) notice to the contrary or (c) to be responsible for the application of any monies received by the Security Agent

6 This notice may only be revoked or amended with the prior written consent of the Security Agent.

7 Please confirm by completing the enclosed copy of this notice and returning it to the Security Agent (with a copy to each Chargor) that you agree to the above and that

- (a) you accept the authorisations and instructions contained in this notice and you undertake to comply with this notice,

- (b) you have not, at the date this notice is returned to the Security Agent, received notice of any assignment or charge of or claim to the monies standing to the credit of any Charged Account or the grant of any security or other interest over those monies or any Charged Account in favour of any third party and you will notify the Security Agent promptly if you should do so in the future, and

- (c) you do not at the date of this notice and will not except as expressly permitted by this notice, in the future exercise any right to combine accounts or any rights of set-off or

lien or any similar rights in relation to the monies standing to the credit of the  
Charged Accounts

- 8 This notice, and any acknowledgement in connection with it, and any non-contractual  
obligations arising out of or in connection with any of them, shall be governed by English  
law

Yours faithfully

\_\_\_\_\_  
for and on behalf of  
[NAME OF CHARGOR]

Name \_\_\_\_\_  
Title \_\_\_\_\_

Countersigned by

\_\_\_\_\_  
for and on behalf of  
[NAME OF SECURITY AGENT]

### SCHEDULE

Cash Collateral Accounts (each a "Cash Collateral Account")		
Account holder	Cash Collateral Account number and designation	Account Bank branch address and sort code
Ability Hotels (Luton) Limited	[◆ ] Deposit Account	[◆ ]
Ability Hotels (Luton) Limited	[◆ ] Disposals Account	[◆ ]
Ability Hotels (Luton) Limited	[◆ ] Covenant Cure Account	[◆ ]
General Account		
Account holder	General Account number	Account Bank branch address and sort code
Ability Hotels (Luton) Limited	[◆ ]	[◆ ]
[The Collection Accounts (each a "Collection Account")]		
Account holder	Collection Account number	Account Bank branch address and sort code
Ability Hotels (Luton) Limited	[◆ ]	[◆ ]

[On copy]

To [◆ ]  
as Security Agent  
[ADDRESS]

Copy to [NAME OF EACH CHARGOR]

We acknowledge receipt of the above notice We confirm and agree

- (a) that the matters referred to in it do not conflict with the terms which apply to any Charged Account, and
- (b) the matters set out in paragraph 7 of the above notice

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for and on behalf of  
[NAME OF ACCOUNT BANK]

Dated [◆ ] 20[◆]

**SCHEDULE 4: FORM OF NOTICE TO AND ACKNOWLEDGEMENT BY TENANT**

To [ ] of [ ]

Dated [◆] ] 20[◆]

Dear Sirs

**RE: [DESCRIBE LEASE] DATED [ ] BETWEEN (1) YOU AND (2) [ ]  
(THE "CHARGOR") (THE "LEASE")**

- 1 We give notice that, by a security agreement dated [◆] ] 20[◆] (the "Security Agreement"), we have granted a security interest in favour of [ ] (the "Security Agent") as Security Agent for certain banks and others (as specified in the Security Agreement) over all our present and future right, title and interest in and to the Lease including all rights and remedies in connection with the Lease and all monies from time to time due to us arising under the Lease
- 2 All monies payable by you to the Chargor pursuant to, under or in connection with the Lease shall be paid into our account entitled [General Account] with [name of account holding bank] (Account number [◆] ], Sort Code [◆] ), unless and until you receive written notice from the Security Agent to the contrary, in which event you should make all future payments as then directed by the Security Agent. This authority and instruction is irrevocable without the prior written consent of the Security Agent
- 3 We irrevocably authorise and instruct you from time to time.
  - (a) to disclose to the Security Agent at our expense (without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure), such information relating to the Lease as the Security Agent may from time to time request,
  - (b) to pay or release all or any part of the sums from time to time due and payable by you to us under the Lease only in accordance with this notice or the written instructions given to you by the Security Agent from time to time,
  - (c) to comply with any written notice or instructions in any way relating to, or purporting to relate to, the Security Agreement or the Lease which you receive at any time from the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction, and
  - (d) to send copies of all notices and other information given or received under the Lease to the Security Agent
4. We are not permitted to receive from you, otherwise than through the Security Agent, any amount in respect of or on account of the sums payable to us from time to time under the Lease or to agree any amendment or supplement to, or waive any obligation under, the Lease without the prior written consent of the Security Agent
- 5 We will remain liable to you to perform the obligations of the landlord under the Lease. Neither the Security Agent nor any receiver, delegate or sub-delegate appointed by it shall at any time be under any obligation or liability to you under or in respect of the Lease



- 6 This notice may only be revoked or amended with the prior written consent of the Security Agent
- 7 Please confirm by completing the enclosed copy of this notice and returning it to the Security Agent (with a copy to us) that you agree to the above and that
- (a) you accept the instructions and authorisations contained in this notice and you undertake to comply with this notice,
  - (b) you have not, at the date this notice is returned to the Security Agent, received notice of the assignment or charge, the grant of any security or the existence of any other interest of any third party in or to the Lease and you will notify the Security Agent promptly if you should do so in future,
  - (c) you have made all necessary arrangements for all future payments under the Lease to be made to the account specified in paragraph 2 of this notice, and
  - (d) you will not exercise any right to terminate the Lease or take any action to amend or supplement the Lease without the prior written consent of the Security Agent
- 8 This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law

Yours faithfully

\_\_\_\_\_  
for and on behalf of  
[NAME OF CHARGOR]

[On copy]

To [ ]  
as Security Agent  
[ADDRESS]

Copy to [ ]

We acknowledge receipt of the above notice and consent and agree to its terms We confirm and agree to the matters set out in paragraph 7 of the above notice

\_\_\_\_\_  
for and on behalf of  
[ ]

Dated { ♦ } 20 { ♦ }

**SCHEDULE 5: FORM OF NOTICE TO AND ACKNOWLEDGEMENT BY PARTY TO  
RELEVANT CONTRACT**

To [Insert name and address of relevant party]

Dated [◆] ] 20[◆]

Dear Sirs

Re [describe Relevant Contract] dated [◆] ] 20[◆] between (1) you and (2) [◆]  
] (the "Chargor")

- 1 We give notice that, by a security agreement dated [◆] ] 20[◆] (the "Security Agreement"), we have assigned to [◆] ] (the "Security Agent") as Security Agent for certain banks and others (as referred to in the Security Agreement) all our present and future right, title and interest in and to [insert details of Relevant Contract] together with any other agreement supplementing or amending the same (together, the "Agreement") including all rights and remedies in connection with the Agreement and all proceeds and claims arising from the Agreement.
- 2 We irrevocably authorise and instruct you from time to time
  - (a) to disclose to the Security Agent at our expense (without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure), such information relating to the Agreement as the Security Agent may from time to time request,
  - (b) to hold all sums from time to time due and payable by you to us under the Agreement to the order of the Security Agent,
  - (c) to pay or release all or any part of the sums from time to time due and payable by you to us under the Agreement only in accordance with the written instructions given to you by the Security Agent from time to time;
  - (d) to comply with any written notice or instructions in any way relating to, or purporting to relate to, the Security Agreement or the Agreement or the debts represented thereby which you receive at any time from the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction, and
  - (e) to send copies of all notices and other information given or received under the Agreement to the Security Agent
- 3 We are not permitted to receive from you, otherwise than through the Security Agent, any amount in respect of or on account of the sums payable to us from time to time under the Agreement or to agree any amendment or supplement to, or waive any obligation under, the Agreement without the prior written consent of the Security Agent
- 4 This notice may only be revoked or amended with the prior written consent of the Security Agent.
- 5 Please confirm by completing the enclosed copy of this notice and returning it to the Security Agent (with a copy to us) that you agree to the above and that

- (a) you accept the instructions and authorisations contained in this notice and you undertake to comply with this notice,
  - (b) you have not, at the date this notice is returned to the Security Agent, received notice of the assignment or charge, the grant of any security or the existence of any other interest of any third party in or to the Agreement or any proceeds of it and you will notify the Security Agent promptly if you should do so in future,
  - (c) you will not permit any sums to be paid to us or any other person (other than the Security Agent) under or pursuant to the Agreement without the prior written consent of the Security Agent, and
  - (d) you will not exercise any right to terminate the Agreement or take any action to amend or supplement the Agreement without the prior written consent of the Security Agent
6. This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law

Yours faithfully

---

for and on behalf of  
[NAME OF CHARGOR]

[On copy]

To [ ]  
as Security Agent  
[ADDRESS]

Copy to [NAME OF CHARGOR]

We acknowledge receipt of the above notice and consent and agree to its terms We confirm and agree to the matters set out in paragraph 5 of the above notice

---

for and on behalf of  
[ ]

Dated [ ] 20[ ]

**SCHEDULE 6: FORM OF NOTICE TO AND ACKNOWLEDGEMENT BY INSURERS**

To [Insert name and address of insurer]

Dated [◆] ] 20[◆]

Dear Sirs

**[DESCRIBE INSURANCE POLICIES] DATED [◆] ] 20[◆] BETWEEN (1) YOU AND (2) [◆] (THE "CHARGOR")**

- 1 We give notice that, by a security agreement dated [◆] ] 20[◆] (the "Security Agreement"), we have [assigned] to [◆] ] (the "Security Agent") as Security Agent for certain banks and others (as referred to in the Security Agreement) all our present and future right, title and interest in and to the policies described above (together with any other agreement supplementing or amending the same, the "Policies") including all rights and remedies in connection with the Policies and all proceeds and claims arising from the Policies.
- 2 We irrevocably authorise and instruct you from time to time
  - (a) to disclose to the Security Agent at our expense (without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure) such information relating to the Policies as the Security Agent may from time to time request;
  - (b) to hold all sums from time to time due and payable by you to us under the Policies to the order of the Security Agent,
  - (c) to pay or release all or any part of the sums from time to time due and payable by you to us under the Policies only in accordance with the written instructions given to you by the Security Agent from time to time,
  - (d) to comply with any written notice or instructions in any way relating to (or purporting to relate to) the Security Agreement, the sums payable to us from time to time under the Policies or the debts represented by them which you may receive from the Security Agent (without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction), and
  - (e) to send copies of all notices and other information given or received under the Policies to the Security Agent
- 3 We irrevocably instruct you, with effect from the date of this notice, to note on the relevant Policies the Security Agent's interest as first loss payee and as first priority assignee of the Policies and the rights, remedies, proceeds and claims referred to above
- 4 We are not permitted to receive from you, otherwise than through the Security Agent, any amount in respect of or on account of the sums payable to us from time to time under the Policies or to agree any amendment or supplement to, or waive any obligation under, the Policies without the prior written consent of the Security Agent
- 5 This notice may only be revoked or amended with the prior written consent of the Security Agent.

6 Please confirm by completing the enclosed copy of this notice and returning it to the Security Agent (with a copy to us) that you agree to the above and that.

- (a) you accept the instructions and authorisations contained in this notice and you undertake to comply with this notice,
- (b) you have not, at the date this notice is returned to the Security Agent, received notice of the assignment or charge, the grant of any security or the existence of any other interest of any third party in or to the Policies or any proceeds of them or any breach of the terms of any Policy and you will notify the Security Agent promptly if you should do so in future,
- (c) you will not permit any sums to be paid to us or any other person under or pursuant to the Policies without the prior written consent of the Security Agent, and
- (d) you will not exercise any right to terminate, cancel, vary or waive the Policies or take any action to amend or supplement the Policies without the prior written consent of the Security Agent

7 This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law

Yours faithfully

---

for and on behalf of  
[NAME OF CHARGOR]

[On copy]

To [♦ ]  
as Security Agent  
[ADDRESS]

Copy to [NAME OF CHARGOR]

Dear Sirs

We acknowledge receipt of the above notice and consent and agree to its terms We confirm and agree to the matters set out in paragraph 6 in the above notice

---

for and on behalf of  
[♦ ]

Dated [♦ ] 20[♦ ]

**EXECUTION PAGES**

**THE CHARGORS**

Executed as a deed, but not delivered until the )  
first date specified on page 1 by ABILITY )  
HOTELS (LUTON) LIMITED acting by )

Director ANDREAS PANAYIOTOU  
Witness signature [REDACTED]  
Witness name KIRYACOS SAMANIOU  
Witness address [REDACTED]

Address: Top Floor, Hampton by Hilton, 42-50  
Kimpton Road, Luton, Bedfordshire LU2  
0NB

Facsimile No: 01582 277778

Attention Andreas Panayiotou

**THE SECURITY AGENT**

Signed by \_\_\_\_\_ for )  
and on behalf of LASALLE INVESTMENT )  
MANAGEMENT. ) Signature \_\_\_\_\_

Address: One Curzon Street, London  
W1J 5HD

Facsimile No: 020 7852 4404

Attention: Head of Loan Asset  
Management

**EXECUTION PAGES**

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HOTELS (LUTON) LIMITED acting by )

Director

Witness signature

Witness name

Witness address

Address: Top Floor, Hampton by Hilton, 42-50  
Kimpton Road, Luton, Bedfordshire LU2  
0NB

Facsimile No: 01582 277778

Attention: Andreas Panayiotou

**THE SECURITY AGENT**

Signed by Alan Tripp and Michael Esda for )  
and on behalf of LASALLE INVESTMENT )  
MANAGEMENT ) Signature

Address: One Curzon Street, London  
W1J 5HD

Facsimile No: 020 7852 4404

Attention: Head of Loan Asset  
Management