



Registration of a Charge

Company name: **CITY HOTEL (LONDON) LIMITED**

Company number: **07900263**



X9VH8KW3

Received for Electronic Filing: **04/01/2021**

Details of Charge

Date of creation: **21/12/2020**

Charge code: **0790 0263 0007**

Persons entitled: **COUTTS & CO**

Brief description: **NOT APPLICABLE.**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

ADDLESHAW GODDARD LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7900263

Charge code: 0790 0263 0007

The Registrar of Companies for England and Wales hereby certifies that a charge dated 21st December 2020 and created by CITY HOTEL (LONDON) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 4th January 2021 .

Given at Companies House, Cardiff on 5th January 2021

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Dated 21 DECEMBER 2020

CITY HOTEL (LONDON) LIMITED
as Borrower

COUTTS & CO
as Lender

**SUPPLEMENTAL SECURITY
AGREEMENT**

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This Security Agreement is made on

21 December

2020

Between

- (1) **City Hotel (London) Limited** a limited liability company incorporated in England and Wales with registered number 07900263) whose registered office is at 1 London Street, Reading, RG1 4PN (**Borrower**);
- (2) **Coutts & Co** whose registered office is at 440 Strand, London WC2R 0QS (**Lender**).

It is agreed

1 Definitions and interpretation

1.1 Definitions

In this deed:

Blocked Account means:

- (a) the Proceeds Account and
- (b) any other account designated as a Blocked Account by the Borrower and the Lender

Charged Account has the meaning given to it in clause 3.3(c) (First fixed charges)

Development Documents has the meaning given to it in the Facility Agreement

Facility Agreement means the facility agreement between the Borrower and the Lender and dated on or about the date of this deed under which the Lender agrees to make available to the Borrower term loan facilities

Floating Charge Assets means all the assets and undertaking from time to time subject to the floating charge created under clause 3.4 (Floating charge)

Party means a party to this deed

Receiver means any receiver, manager or administrative receiver appointed by the Lender in respect of the Borrower or any of the Secured Assets

Relevant Agreement means:

- (a) each Hotel Agreement (excluding any Letter of Comfort)
- (b) each Development Document to which it is a party
- (c) each Operating Certificate
- (d) each other agreement designated as a Relevant Agreement by the Lender and the Borrower in writing

Secured Assets means all of the Borrower's assets and undertaking the subject of any Security created by, under or supplemental to, this deed in favour of the Lender

Secured Obligations means all monies and liabilities now or after the date of this deed due owing or incurred by the Borrower to the Lender under the Finance Documents (or any of them) in any manner and in any currency or currencies and whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing on such monies and liabilities and all costs, charges and expenses incurred by the Lender under any Finance Document

Security Period means the period beginning on the date of this deed and ending on the date on which the Lender is satisfied (acting reasonably) that the Secured Obligations have been irrevocably and unconditionally satisfied in full and all facilities made available by the Lender to the Borrower have been cancelled and all obligations of the Lender under the Hedging Agreement have been terminated

1.2 Interpretation

- (a) Unless otherwise defined in this deed, a term defined in the Facility Agreement has the same meaning when used in this deed or any notices, acknowledgements or other documents issued under or in connection with this deed.
- (b) In this deed the term **dispose** includes any sale, lease, licence, transfer or loan.
- (c) Clause 1.2 (Construction) of the Facility Agreement is incorporated in this deed as if set out here in full but so that each reference in that clause to **this Agreement** or a **Finance Document** shall be read as a reference to this deed.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in any Finance Document, 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 or any other Finance Document issued or entered into under or in connection with this deed but this does not affect any right or remedy of a third party which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.
- (b) Unless expressly provided to the contrary in any Finance Document the consent of any person who is not a Party is not required to rescind or vary this deed or any other Finance Document entered into under or in connection with it.

1.4 Administration

- (a) Any reference in this deed, or any other Finance Document entered into under or in connection with it, to the making of an administration order shall be treated as including a reference to the appointment of an administrator under paragraph 14 (by the holder of a qualifying floating charge in respect of the assets of the Borrower) or 22 (by the Borrower or the directors of the Borrower) of Schedule B1 to the Insolvency Act 1986 or any steps taken toward such order or appointment.
- (b) Any reference in this deed or any other Finance Document entered into under or in connection with it, to making an application for an administration order by petition shall be treated as including a reference to making an administration application to the court under Schedule B1 to the Insolvency Act 1986, appointing an administrator under paragraph 14 or 22 of that Schedule, or giving notice under paragraph 15 or 26 of that Schedule of intention to appoint an administrator or any steps taken towards such application or notice.

1.5 Incorporated terms

The terms of the Finance Documents and of any side letters relating to the Finance Documents and the Secured Obligations are incorporated into this deed to the extent required for any purported disposition of any Secured Assets contained in this deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

2 Covenant to pay

The Borrower covenants with the Lender to pay and discharge the Secured Obligations when they become due for payment and discharge in accordance with the terms of the Finance Documents.

3 Charging provisions

3.1 General

All Security created by the Borrower under clauses 3.2 to 3.4 inclusive is:

- (a) a continuing security for the payment and discharge of the Secured Obligations;
- (b) granted with full title guarantee;
- (c) granted in respect of all the right, title and interest (if any), present and future, of the Borrower in and to the relevant Secured Asset; and
- (d) granted in favour of the Lender.

3.2 Assignments

- (a) The Borrower assigns absolutely, subject to a proviso for reassignment on redemption the Relevant Agreements (except each Hotel Agreement and each Development Document and any other agreement agreed in writing between the Lender and the Borrower).
- (b) The Borrower shall remain liable to perform all its obligations under each Relevant Agreement.

3.3 First fixed charges

The Borrower charges by way of first fixed charge:

- (a) each Hotel Agreement and each Development Document;
- (b) all monies from time to time standing to the credit of each Blocked Account;
- (c) all monies from time to time standing to the credit of each account (including, without limitation, the General Account) held by the Borrower with any bank, building society, financial institution or other person, other than any Blocked Account (each a **Charged Account**);
- (d) the benefit of all Authorisations held or utilised by it in connection with its business or the use of any of its assets and the right to recover and receive compensation payable in respect of any of them; and

- (e) to the extent that any assignment in clause 3.2 is ineffective as an assignment, the assets referred to in that clause.

3.4 Floating charge

The Borrower charges by way of floating charge all its assets and undertaking wherever located both present and future other than any assets effectively charged by way of legal mortgage or fixed charge or assigned under clauses 3.2 or 3.3.

3.5 Qualifying floating charge

This deed contains a qualifying floating charge and paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by or under this deed.

3.6 Conversion of floating charge to a fixed charge

The Lender may, at any time by notice in writing to the Borrower, convert the floating charge created under clause 3.4 into a fixed charge as regards any Floating Charge Asset as it shall specify in the notice if:

- (a) an Event of Default is continuing; or
- (b) in the opinion of the Lender that Floating Charge Asset is in danger of being seized or any legal process or execution is being enforced against that Floating Charge Asset.

3.7 Automatic conversion of floating charge to a fixed charge

If (unless permitted in writing by the Lender or expressly permitted under the terms of any Finance Document):

- (a) the Borrower creates or attempts to create any Security over any of its Floating Charge Assets other than Permitted Security; or
- (b) any corporate action, legal proceedings or other procedures or steps are taken for the winding up, dissolution, administration or reorganisation of the Borrower,

the floating charge created by this deed will automatically and immediately without notice be converted into a fixed charge over the relevant assets or, in the circumstances described in clause 3.7(b), over all of the Floating Charge Assets.

3.8 Moratorium

- (a) Subject to clause 3.8(b) below, the floating charge created by clause 3.4 may not be converted into a fixed charge solely by reason of:
 - (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium,
 under Part A1 of the Insolvency Act 1986.
- (b) Clause 3.8(a) above does not apply in respect of any floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.

4 Continuing security

4.1 Continuing security

The Security constituted by this deed shall be continuing security and shall remain in full force and effect regardless of any intermediate payment or discharge by the Borrower or any other person of the whole or any part of the Secured Obligations.

4.2 Recourse

The Security constituted by this deed:

- (a) is in addition to any other Security which the Lender may hold at any time for the Secured Obligations (or any of them); and
- (b) may be enforced without first having recourse to any other rights of the Lender.

5 Negative pledge

5.1 The Borrower shall not create or permit to subsist any Security over any of the Secured Assets.

5.2 The Borrower shall not:

- (a) sell, transfer or otherwise dispose of any the Secured Assets on terms whereby they are or may be leased to or re-acquired by it;
- (b) sell, transfer or otherwise dispose of any of its receivables arising in connection with the Secured Assets on recourse terms;
- (c) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (d) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

5.3 Clauses 5.1 and 5.2 do not apply to any Permitted Security or any arrangement permitted under the Facility Agreement.

6 Restrictions on disposals

6.1 The Borrower shall not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to dispose of all or any part of any Secured Assets.

6.2 Clause 6.1 does not apply to:

- (a) any disposal expressly permitted pursuant to clause 23.2 (Occupational Leases) of the Facility Agreement; or
- (b) any Permitted Disposal.

7 Further assurance

- 7.1 The Borrower shall promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Lender may reasonably specify (and in such form as the Lender may reasonably require) in favour of the Lender or its nominee(s):
- (a) to create, perfect, protect and maintain the Security created or intended to be created under or evidenced by this deed or for the exercise of any rights, powers and remedies of the Lender provided by or pursuant to this deed or by law;
 - (b) to confer on the Lender Security over any property and assets of the Borrower located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to this deed; and/or
 - (c) (if an Event of Default is continuing and for so long as it is continuing) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by or under this deed.
- 7.2 Promptly, as expressly required under this Deed or otherwise following a request by the Lender (and in any event within any applicable timeframe) the Borrower 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 Lender by or pursuant to this deed.
- 7.3 Any document required to be executed by the Borrower under this clause 7 will be prepared at the cost of the Borrower.

8 Notices of assignments and charges**8.1 Relevant Agreements**

- (a) The Borrower shall give notice in the form specified in Part 1 (Form of notice of assignment) of Schedule 1 to the other parties to each Relevant Agreement that the Borrower has assigned or charged (as applicable) to the Lender all its right, title and interest in that Relevant Agreement.
- (b) The Borrower shall give the notices referred to in clause 8.1(a):
 - (i) in the case of each Relevant Agreement in existence as at the date of this deed, on the date required under the Facility Agreement; and
 - (ii) in the case of each Relevant Agreement coming into existence or being designated as such after the date of this deed, on the later of that agreement coming into existence or being designated a Relevant Agreement.
- (c) The Borrower shall use reasonable endeavours to procure that the recipient of each such notice promptly acknowledges that notice in substantially the form specified in Part 2 (Form of acknowledgement) of Schedule 1.

8.2 Blocked Accounts

- (a) The Borrower shall give notice in the form specified in Part 1 (Form of notice of charge) of Schedule 2 to the financial institution at which each Blocked Account is held (unless

such financial institution is also the Lender) that the Borrower has created a fixed charge over the balance standing to the credit of that Blocked Account.

- (b) The Borrower shall give the notices referred to in clause 8.2(a):
 - (i) in the case of a Blocked Account held by the Borrower at the date of this deed, on the date of this deed; and
 - (ii) in the case of a Blocked Account opened after the date of this deed, on that Blocked Account being opened.
- (c) The Borrower shall use reasonable endeavours to procure that the recipient of each such notice promptly acknowledges that notice in substantially the form specified in Part 2 (Form of acknowledgement) of Schedule 2.
- (d) On the date of this deed:
 - (i) the Borrower hereby notifies the Lender of the Security granted pursuant to this deed in respect of the Blocked Accounts held with the Lender; and
 - (ii) the Lender acknowledges the Security granted pursuant to this deed in respect of the Blocked Accounts held with the Lender as at such date and confirms the matters set out in in (b) (Form of acknowledgement) of Schedule 2 in respect of such Blocked Accounts.

8.3 Charged Accounts

- (a) The Borrower shall give notice in the form specified in Part 1 (Form of notice of charge) of 2(e)3 to the financial institution at which each Charged Account is held (unless such financial institution is also the Lender) that the Borrower has created a fixed charge over the balance standing to the credit of that Charged Account.
- (b) The Borrower will give the notices referred to in clause 8.3(a):
 - (i) in the case of a Charged Account held by the Borrower at the date of this deed, on the date of this deed; and
 - (ii) in the case of a Charged Account opened after the date of this deed, on that Charged Account being opened.
- (c) The Borrower shall use reasonable endeavours to procure that the recipient of each such notice promptly acknowledges that notice substantially in the form specified in Part 2 (Form of acknowledgment) of Schedule 3.
- (d) On the date of this deed:
 - (i) the Borrower hereby notifies the Lender of the Security granted pursuant to this deed in respect of the Charged Accounts held with the Lender; and
 - (ii) the Lender acknowledges the Security granted pursuant to this deed in respect of the Charged Accounts held with the Lender as at such date and confirms the matters set out in in Part 2 (Form of acknowledgment) of 2(e)3 in respect of such Charged Accounts.

9 Security power of attorney

- 9.1 The Borrower, by way of security, irrevocably and severally appoints the Lender, each Receiver and any of their delegates or sub-delegates to be its attorney to take any action which the Borrower is obliged to take under this deed. The Borrower ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause 9.
- 9.2 Prior to the occurrence of an Event of Default which is continuing, any attorney appointed pursuant to this clause 9 shall only be entitled to exercise such power if it has first made a request of the Borrower and the Borrower has not complied within 10 Business Days of the date of any such request.

10 Enforcement of security

10.1 When security is enforceable

On the occurrence of any Event of Default which is continuing, the Security created by and under this deed is immediately enforceable.

10.2 Acts of enforcement

The Lender may, at its absolute discretion, at any time after the Security created by or under this deed is enforceable:

- (a) enforce all or any part of the Security created by or under this deed in any manner it sees fit;
- (b) exercise its rights and powers conferred upon mortgagees by the Law of Property Act 1925, as varied and extended by this deed, and rights and powers conferred on a Receiver by this deed, whether or not it has taken possession or appointed a Receiver to any of the Secured Assets;
- (c) appoint a Receiver to all or any part of the Secured Assets;
- (d) appoint an administrator in respect of the Borrower and take any steps to do so;
- (e) exercise its power of sale under section 101 of the Law of Property Act 1925 (as amended by this deed); or
- (f) if permitted by law, appoint an administrative receiver in respect of the Borrower.

10.3 Right of appropriation

To the extent that the Security created by this deed constitutes a "security financial collateral arrangement" and the Secured Assets constitute "financial collateral" for the purpose of the Financial Collateral Arrangements (No 2) Regulations 2003 (**Regulations**), the Lender shall have the right on giving prior notice to the Borrower, at any time after the Security becomes enforceable, to appropriate all or any part of those Secured Assets in or towards discharge of the Secured Obligations. The parties agree that the value of the appropriated Secured Assets shall be, in the case of cash, the amount of cash appropriated. For the purpose of Regulation 18(1) of the Regulations, the Borrower agrees that any such determination by the Lender will constitute a valuation "in a commercially reasonable manner".

10.4 Statutory powers - general

- (a) For the purposes of all powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this deed.
- (b) Section 103 of the Law of Property Act 1925 and section 93 of the Law of Property Act 1925 do not apply to the Security constituted by or under this deed.
- (c) Each Receiver and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 and the Insolvency Act 1986 on mortgagees and Receivers.

10.5 Contingencies

If the Lender enforces the Security constituted by or under this deed at a time when no amounts are due to it under the Finance Documents but at a time when amounts may or will become so due, the Lender (or the Receiver) may pay the proceeds of any recoveries effected by it into an interest bearing suspense account.

10.6 Mortgagee in possession - no liability

Save in circumstances where there has been wilful misconduct or gross negligence on the part of the Lender or the Receiver, neither the Lender nor any Receiver will be liable, by reason of entering into possession of a Secured Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might otherwise be liable.

10.7 Redemption of prior mortgages

At any time after the Security created by or under this deed has become enforceable, the Lender may, at the sole cost of the Borrower (payable to the Lender on demand):

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

11 Receiver**11.1 Appointment of Receiver**

- (a)
 - (i) At any time after any Security created by or under this deed has become enforceable, the Lender may appoint a Receiver to all or any part of the Secured Assets in accordance with clause 10.2(c) (Acts of enforcement).
 - (ii) At any time, if so requested in writing by the Borrower, without further notice, the Lender may appoint a Receiver to all or any part of the Secured Assets as if the Lender had become entitled under the Law of Property Act 1925 to exercise the power of sale conferred under the Law of Property Act 1925.

- (b) Any Receiver appointed under this deed shall be the agent of the Borrower and the Borrower shall be solely responsible for his acts or defaults and for his remuneration and liable on any contracts or engagements made or entered into by him and in no circumstances whatsoever shall the Lender be in any way responsible for any misconduct, negligence or default of the Receiver.
- (c) The Lender is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency Act 1986 other than in respect of a floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.

11.2 Removal

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

11.3 Powers of Receiver

(a) General

- (i) In addition to those conferred by the Law of Property Act 1925 on any Receiver appointed under that Act, each Receiver has, and is entitled to exercise, all of the rights, powers and discretions set out in this clause 11.3.
- (ii) If there is more than one Receiver holding office at the same time, unless the document appointing him states otherwise, each Receiver may exercise all of the powers conferred on a Receiver under this deed or under the Insolvency Act 1986 individually and to the exclusion of any other Receivers.
- (iii) A Receiver of the Borrower has all the rights, powers and discretions of an administrative receiver under the Insolvency Act 1986.
- (iv) A Receiver may, in the name of the Borrower:
 - (A) do all other acts and things which he may consider expedient for realising any Secured Asset; and
 - (B) exercise in relation to any Secured Asset all the powers, authorities and things which he would be capable of exercising if he were its absolute beneficial owner.

(b) Borrow money

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

(c) Carry on business

A Receiver may carry on the business of the Borrower as he thinks fit and, for the avoidance of doubt, a Receiver may apply for such Authorisations as he considers in his absolute discretion appropriate.

(d) Compromise

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

(e) Delegation

A Receiver may delegate his powers in accordance with clause 12 (Delegation).

(f) Employees

For the purposes of this deed, a Receiver as he thinks appropriate, on behalf of the Borrower or for itself as Receiver, may:

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

(g) Leases

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

(h) Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings or submit to arbitration or any form of alternative dispute resolution in the name of the Borrower in relation to any Secured Asset as he considers expedient.

(i) Possession

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

(j) Protection of assets

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

- (i) make and effect all repairs and insurances and do all other acts which the Borrower might do in the ordinary conduct of its business be they for the protection or for the improvement of the Secured Assets;
- (ii) commence and/or complete any building operations on any Secured Asset; and

- (iii) apply for and maintain any planning permission, building regulation approval or any other permission, consent or licence.

(k) **Receipts**

A Receiver may give valid receipts for all monies and execute all assurances and things which may be expedient for realising any Secured Asset.

(l) **Sale of assets**

A Receiver may sell, exchange, convert into monies and realise any Secured Asset by public auction or private contract in any manner and on any terms which he thinks proper. The consideration for any such transaction may consist of cash, debenture or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit.

(m) **Subsidiaries**

A Receiver may form a Subsidiary of the Borrower and transfer to that Subsidiary any Secured Asset.

(n) **Deal with Secured Assets**

A Receiver may, without restriction sell, let or lease, or concur in selling, letting or leasing, or vary the terms of, determine, surrender or accept surrenders of, leases or tenancies of, or grant options and licences over or otherwise dispose of or deal with, all or any part of the Secured Assets without being responsible for loss or damage, and so that any such sale, lease or disposition may be made for cash payable by instalments, loan stock or other debt obligations or for shares or securities of another company or other valuable consideration. The Receiver may form and promote, or concur in forming and promoting, a company or companies to purchase, lease, licence or otherwise acquire interests in all or any of the Secured Assets or otherwise, arrange for such companies to trade or cease to trade and to purchase, lease, license or otherwise acquire all or any of the Secured Assets on such terms and conditions whether or not including payment by instalments secured or unsecured as he may think fit.

(o) **Security**

A Receiver may redeem any prior Security and settle and pass the accounts of the person entitled to the prior Security so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Borrower and the money so paid shall be deemed to be an expense properly incurred by the Receiver.

(p) **Acquire land**

The Receiver may purchase or acquire any land and purchase, acquire or grant any interest in or right over land.

(q) **Uncalled capital**

A Receiver may make calls conditionally or unconditionally on the members of the Borrower in respect of uncalled capital.

(r) Incidental matters

A Receiver may do all other acts and things including without limitation, signing and executing all documents and deeds as may be considered by the Receiver to be incidental or conducive to any of the matters or powers listed here or granted by law or otherwise incidental or conducive to the preservation, improvement or realisation of the Secured Assets and to use the name of the Borrower for all the purposes set out in this clause 11.

11.4 Remuneration

The Lender may from time to time fix the remuneration of any Receiver appointed by it.

12 Delegation

12.1 The Lender and any Receiver may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by the Lender and the Receiver (as appropriate) under this deed to any person or persons as it shall think fit. Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Lender and Receiver (as appropriate) may think fit.

12.2 The Lender and any Receiver will not be liable or responsible to the Borrower or any other person for any losses, liabilities or expenses arising from any act, default, omission or misconduct on the part of any delegate.

13 Application of monies

13.1 Sections 109(6) and (8) (Appointment, powers, remuneration and duties of receiver) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this deed.

13.2 All monies received by the Lender or any Receiver under this deed shall be applied in accordance with clause 28 (Application of Proceeds) of the Facility Agreement.

13.3 The Lender and any Receiver may place any money received, recovered or realised pursuant to this deed in an interest bearing suspense account and it may retain the same for such period as it considers expedient without having any obligation to apply the same or any part of it in or towards discharge of the Secured Obligations.

14 Remedies and waivers

14.1 No failure to exercise, nor any delay in exercising, on the part of the Lender or any Receiver, any right or remedy under this deed shall operate as a waiver of any such right or remedy or constitute an election to affirm this deed. No election to affirm this deed on the part of the Lender or any Receiver shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this deed are cumulative and not exclusive of any rights or remedies provided by law.

14.2 A waiver given or consent granted by the Lender or any Receiver 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.

15 Protection of third parties

15.1 No person (including a purchaser) dealing with the Lender or a Receiver or its or his agents has an obligation to enquire of the Lender, Receiver or others:

- (a) whether the Secured Obligations have become payable;
- (b) whether any power purported to be exercised has become exercisable;
- (c) whether any Secured Obligations or other monies remain outstanding;
- (d) how any monies paid to the Lender or to the Receiver shall be applied; or
- (e) the status, propriety or validity of the acts of the Receiver or the Lender.

15.2 The receipt of the Lender or any Receiver shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Lender or any Receiver.

15.3 In clauses 15.1 and 15.2 **purchaser** includes any person acquiring, for money or monies worth, any lease of, or Security over, or any other interest or right whatsoever in relation to, the Secured Assets or any of them.

16 Additional security

The Security created by or under this deed is in addition to and is not in any way prejudiced by any guarantee or security now or subsequently held by the Lender.

17 Settlements conditional

17.1 If the Lender (acting reasonably) believes that any amount paid by the Borrower or any other person in respect of the Secured Obligations is capable of being avoided or set aside for any reason, then for the purposes of this deed, such amount shall not be considered to have been paid.

17.2 Any settlement, discharge or release between the Borrower and the Lender shall be conditional upon no Security or payment to or for the Lender by the Borrower or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any law relating to bankruptcy, insolvency or liquidation or otherwise.

18 Subsequent Security

If the Lender receives notice of any other subsequent Security or other interest affecting all or any of the Secured Assets it may open a new account or accounts for the Borrower in its books. If it does not do so then, unless it gives express written notice to the contrary to the Borrower, as from the time of receipt of such notice by the Lender, all payments made by the Borrower to the Lender shall be treated as having been credited to a new account of the Borrower and not as having been applied in reduction of the Secured Obligations.

19 Notices

Any communication under this deed or any other Security or Finance Document created by or under this deed, shall be made and given in accordance with the terms of clause 32 (Notices) of the Facility Agreement.

20 Invalidity

Clause 34 (Partial invalidity) of the Facility Agreement shall apply to this deed as if set out here in full but so that references to the Finance Documents shall be construed as references to this deed and any Security created by or under it.

21 Assignment

The Lender may assign or otherwise transfer all or any part of its rights under this deed or any Security created by or under it in accordance with the terms of the Finance Documents.

22 Releases

Upon the expiry of the Security Period, the Lender shall, at the written request and cost of the Borrower, take whatever action is reasonably necessary to release and reassign to the Borrower:

- (a) its rights arising under this deed;
- (b) the Secured Assets from the Security created by and under this deed,

and return all documents or deeds of title delivered to it under this deed.

23 Currency clauses

23.1 Clause 30.6 (Change of currency) of the Facility Agreement shall apply to this deed as if set out here in full but so that references to the Finance Documents shall be construed as references to this deed and any Security created by or under it.

23.2 If a payment is made to the Lender under this deed in a currency (**Payment Currency**) other than the currency in which it is expressed to be payable (**Contractual Currency**), the Lender may convert that payment into the Contractual Currency at the rate at which it (acting reasonably and in good faith) is able to purchase the Contractual Currency with the Payment Currency on or around the date of receipt of the payment and to the extent that the converted amount of the payment falls short of the amount due and payable the Borrower will remain liable for such shortfall.

24 Certificates and determinations

Clause 33.2 (Certificates and Determinations) of the Facility Agreement shall apply to this deed as if set out here in full but so that references to the Finance Documents shall be construed as references to this deed and any Security created by or under it.

25 Counterparts

This deed or any Finance Document entered into under or in connection with this deed may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this deed or any such Finance Document entered into under or in connection with this deed by e-mail attachment or telecopy shall be an effective mode of delivery.

26 Governing law

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

27 Enforcement**27.1 Jurisdiction of English courts**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including 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) (**Dispute**).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This clause 27 is for the benefit of the Lender. As a result, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

This Security Agreement has been signed by the Lender and executed as a deed by the Borrower and is delivered on the date given at the beginning of this Security Agreement.

Schedule 1

Relevant Agreements

Part 1 - Form of notice of assignment

To: ◆

Dated: ◆

Dear Sirs

The agreement described in the attached schedule (Agreement)

We hereby notify you that we have [assigned absolutely, subject to a proviso for reassignment on redemption]/[charged by way of first fixed charge] to Coutts & Co (**Lender**) all our right, title and interest in and to the Agreement.

We hereby irrevocably and unconditionally authorise and instruct you:

1 without notice or reference to, or further authority from us and without enquiring as to the justification or the validity of those instructions following notification that an Event of Default which is continuing under the Facility Agreement has occurred, to comply only with any instructions from time to time received by you from the Lender relating to the Agreement and any rights under or in connection with the Agreement; and

2 to pay all sums payable by you under the Agreement directly to our account at:

Bank: ◆

Account number: ◆

Sort code: ◆

or such other account as the Lender may specify from time to time.

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Lender and the other copy to us.

The provisions of this notice (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

Yours faithfully

.....
for and on behalf of
City Hotel (London) Limited

The Schedule

Date	Parties	Description
◆	◆	◆

[Attach form of acknowledgment]

Part 2 - Form of acknowledgement

To: Coutts & Co

440 Strand, Charing Cross, London, WC2R 0QS

To: City Hotel (London) Limited (**Chargor**)

1 London Street, Reading, Berkshire, RG1 4PN

Dated: ♦

We acknowledge receipt of the notice of [assignment]/[charge] (**Notice**) of which the enclosed is a duplicate. Terms defined in the Notice shall have the same meaning when used in this acknowledgement. We confirm that:

- (a) there has been no amendment, waiver or release of any rights or interests in the Agreement since the date of the Agreement other than one which is minor or administrative in nature;
- (b) we will not agree to any amendment, waiver or release of any provision of the Agreement without the prior written consent of the Lender;
- (c) we shall act in accordance with the Notice;
- (d) as at the date of this acknowledgement we have not received any notice of assignment or charge of the Chargor's interest in the Agreement in favour of any other person;
- (e) as at the date of this acknowledgement, we are not aware of any breach by the Chargor of the terms of the Agreement; and
- (f) we do not have and have not claimed or exercised any right or claim against the Chargor or exercised or attempted to exercise any right of set-off, counterclaim or other right relating to the Agreement.

The provisions of this acknowledgement (and any non-contractual obligations arising out of or in connection with it) are governed by English law.

For and on behalf of

♦

Schedule 2

Blocked Accounts

Part 1 - Form of notice of charge

To: [insert name and address of account holding institution]

Dated: ♦

Dear Sirs

Account number: ♦ (Blocked Account)

Sort code: ♦

Account holder: ♦ Limited

We hereby notify you that we have charged by way of first fixed charge to Coutts & Co (**Lender**) all our right, title and interest in and to the monies from time to time standing to the credit of the Blocked Account.

We hereby irrevocably and unconditionally authorise and instruct you:

- 1 to hold all monies from time to time standing to the credit of the Blocked Account to the order of the Lender and accordingly to pay all or any part of those monies to the Lender (or as it may direct) promptly following receipt of written instructions from the Lender to that effect; and
- 2 to disclose to the Lender such information relating to us and the Blocked Account as the Lender may from time to time request you to provide.

We also advise you that:

- (a) we may not withdraw any monies from the Blocked Account without first having obtained the prior written consent of the Lender; and
- (b) the provisions of this notice may only be revoked or varied with the prior written consent of the Lender.

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Lender and the other copy to us.

The provisions of this notice (and any non-contractual obligations arising out of it or in connection with it) are governed by English law.

Yours faithfully

.....
for and on behalf of
City Hotel (London) Limited

[Attach form of acknowledgment]

Part 2 - Form of acknowledgement

To: Coutts & Co

440 Strand, Charing Cross, London, WC2R 0QS

To: City Hotel (London) Limited (**Chargor**)

1 London Street, Reading, Berkshire, RG1 4PN

Dated: ♦

We acknowledge receipt of the notice of charge (**Notice**) of which the enclosed is a duplicate. Terms defined in the Notice shall have the same meaning when used in this acknowledgement.

We confirm that:

- (c) we shall act in accordance with the Notice;
- (d) as at the date of this acknowledgement we have not received any notice of assignment or charge over the Chargor's interest in the Blocked Account in favour of any other person; and
- (e) we will not exercise any right of combination of accounts, set-off or lien over any monies standing to the credit of the Blocked Account.

The provisions of this acknowledgement (and any non-contractual obligations arising out of it or in connection with it) are governed by English law.

For and on behalf of

[*account holding institution*]

Schedule 3

Charged Accounts

Part 1 - Form of notice of charge

To: *[insert name and address of account holding institution]*

Account number: ♦ (Charged Account)

Sort code: ♦

Account holder: ♦ Limited

We hereby notify you that we have charged by way of first fixed charge to Coutts & Co (**Lender**) all our right, title and interest in and to the monies from time to time standing to the credit of the Charged Account.

We hereby irrevocably and unconditionally authorise and instruct you:

- 1 to hold all monies from time to time standing to the credit of the Charged Account to the order of the Lender and accordingly to pay all or any part of those monies to the Lender (or as it may direct) promptly following receipt of written instructions from the Lender to that effect; and
- 2 to disclose to the Lender such information relating to us and the Charged Account as the Lender may from time to time request you to provide.

By countersigning this notice, the Lender authorises you to permit us to withdraw and otherwise deal with funds standing to the credit of the Charged Account until:

- (a) you receive a notice in writing to the contrary from the Lender;
- (b) a petition is presented for a winding up order in respect of us or an application is made for an administration order in respect of us,

(whichever occurs first).

Please sign and return the acknowledgement attached to one enclosed copy of this notice to the Lender and the other copy to us.

The provisions of this notice (and any non-contractual obligations arising out of it or in connection with it) are governed by English law.

Yours faithfully

.....
for and on behalf of City Hotel (London) Limited

Countersigned for and on behalf of

the Lender:

[Attach form of acknowledgment]

Part 2 - Form of acknowledgement

To: Coutts & Co

440 Strand, Charing Cross, London, WC2R 0QS

To: City Hotel (London) Limited (**Chargor**)

1 London Street, Reading, Berkshire, RG1 4PN

Dated: ♦

We acknowledge receipt of the notice of charge (**Notice**) of which the enclosed is a duplicate. Terms defined in the Notice shall have the same meaning when used in this acknowledgement.

We confirm that:

- (a) we shall act in accordance with the Notice;
- (b) as at the date of this acknowledgement we have not received any notice of assignment or charge or other security over the Chargor's interest in the Charged Account in favour of any other person; and
- (c) we will not exercise any right of combination of accounts, set-off or lien over any monies standing to the credit of the Charged Account.

The provisions of this acknowledgement (and any non-contractual obligations arising out of it or in connection with it) are governed by English law.

For and on behalf of
[account holding institution]

SIGNATORIES TO THE SECURITY AGREEMENT

Borrower

Executed as a deed by

City Hotel (London) Limited

acting by a director in the presence of

)

)

)

Director

Signature of witness

Name JOSEPH HOLT

Address 12 New Fetter Lane

London, EC4A 1JP

The Lender

Coutts & Co

By:

Address: 440 Strand, Charing Cross, London, WC2R 0QS

Attention: Roland Stumpf, Hotels Healthcare & Insurance