

135022

# 395

FREE  £10   
COMPANIES HOUSE

For official use      Company number

917838

\* Forte International Limited (the "Company")

11th July, 2001

Debenture (the "Debenture") dated 11th July, 2001 between inter alia, Grand Hotels (M) Intermediate Holding Company I Limited, the Company and the other chargors named therein (the "Chargors") and the Security Agent.

Any and all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of any Obligor to the Secured Creditors (or any of them) under each or any of the Senior Finance Documents, the Senior Mezzanine Finance Documents and the Junior Mezzanine Finance Documents together with all costs, charges and expenses properly incurred by any Secured Creditor in connection with the protection, preservation or enforcement of its respective rights under the Senior Finance Documents, the Senior Mezzanine Finance Documents or the Junior Mezzanine Finance Documents (as the case may be) or any other document evidencing or securing any such liabilities except for any obligation which, if it were so included, would result in the Debenture contravening section 151 of the Companies Act 1985 (the "Secured Liabilities").

CIBC World Markets Plc, Cottons Centre, Cottons Lane, London (the "Security Agent") as agent and trustee for itself and each of the Secured Creditors

Postcode SE1 2OL

Allen & Overy  
One New Change  
London EC4M 9QQ

1 Post room



LD6  
COMPANIES HOUSE

0565  
26/07/01

Time critical reference

Short particulars of all the property mortgaged or charged

Please see continuation sheet

Please do not  
write in  
this margin

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

Particulars as to commission allowance or discount (note 3)

Nil

Signed *Alb & Over*

Date *26/7/01*

On behalf of ~~[company]~~ ~~[mortgagee]~~ (chargee) †

A fee of £10 is  
payable to  
Companies House  
in respect of each  
register entry for a  
mortgage or  
charge.  
(See Note 5)

† delete as  
appropriate

## Notes

The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.

A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.

In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;

(a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or

(b) procuring or agreeing to procure subscriptions, whether absolute or conditional,

for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.

If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.

5 Cheques and Postal Orders are to be made payable to **Companies House**.

6 The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF14 3UZ

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1. Pursuant to the terms of the Debenture, the Company with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 as security for the payment, discharge and performance of all Secured Liabilities at any time owed or due to the Secured Creditors (or any of them), charged in favour of the Security Agent (as agent and trustee for the Secured Creditors):
  - (a) by way of a first legal mortgage (save to the extent charged or secured from time to time under the Scottish Security, if at all) all the property (if any) as at 11th July, 2001 belonging to it and specified in Schedule B to this Companies Form M395, together with all buildings and Fixtures thereon, the proceeds of sale of all or any part thereof and the benefit of any covenants for title given or entered into by any predecessor in title and any moneys paid or payable in respect of such covenants subject, in each case, to any necessary third party's consent to such mortgage being obtained;
  - (b) by way of first legal mortgage (save to the extent charged or secured from time to time under the Scottish Security, if at all) all estates or interests in any freehold or leasehold property and any rights under any licence or other agreement or document which gives any Chargor a right to occupy or use property (except any Security Assets specified in paragraph (a) above) wheresoever situate as at 11th July, 2001 belonging to it together with all buildings and Fixtures thereon, the proceeds of sale of all or any part thereof and the benefit of any covenants for title given or entered into by any predecessor in title and any moneys paid or payable in respect of such covenants subject, in each case, to any necessary third party's consent to such mortgage being obtained;
  - (c) by way of first fixed charge (in each case save to the extent charged or secured from time to time under the Scottish Security, if at all):
    - (i) (to the extent that the same are not the subject of a mortgage under clauses 4.1(a) and/or (b) of the Debenture) all present and future estates or interests in any freehold or leasehold property and any rights under any licence or other agreement or document which gives any Chargor a right to occupy or use property, wheresoever situate as at 11th July, 2001 or hereafter belonging to it together with all buildings and Fixtures thereon, the proceeds of sale of all or any part thereof and the benefit of any covenants for title given or entered into by any predecessor in title and any moneys paid or payable in respect of such covenants, subject, in each case, to any necessary third party's consent to such charge being obtained;
    - (ii) all plant, machinery, computers and vehicles as at 11th July, 2001 or in the future owned by it and, subject to any necessary third party's consent to such charge being obtained, its interest in any plant, machinery, computers or vehicles in its possession other than any for the time being part of such Chargor's stock in trade or work in progress;
    - (iii) all moneys (including interest), other than the Management Loan Note Deposit, from time to time standing to the credit of each of its present and future accounts (including, without limitation, the Security Accounts) with any bank, financial institution or other person and the debts represented thereby, provided that without prejudice to any other provision of Clause 4 of the Debenture, any such monies paid out of such accounts without breaching the terms of the Secured Finance Documents and not paid into another such account in the name of a Chargor shall be released

## Short Particulars of all property mortgaged or charged

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from the fixed charge effected by sub-paragraph 4.1 (c)(iii) upon the proceeds being so paid out;

- (iv) (to the extent not effectively assigned under Clause 4.3 of the Debenture) all benefits in respect of the Insurances and all claims and returns of premiums in respect thereof;
- (v) all of its present and future book and other debts, all other moneys due and owing to it or which may become due and owing to it at any time in the future and the benefit of all rights, securities and guarantees of any nature whatsoever as at 11th July, 2001 or at any time enjoyed or held by it in relation to any of the foregoing including in each case the proceeds of the same, provided that without prejudice to any other provision of Clause 4 of the Debenture (and in particular but without limitation to sub-paragraph 4.1 (c)(iii) of the Debenture) such proceeds shall be released automatically from the fixed charge effected by sub-paragraph 4.1(c)(v) upon those proceeds being credited to any Security Account;
- (vi) (to the extent that the same do not fall within any other sub-paragraph of paragraph 4.1(c) of the Debenture and are not effectively assigned under Clause 4.3 of the Debenture) all of its rights and benefits under each of the Relevant Agreements, all bills of exchange and other negotiable instruments held by it, and (subject to any necessary third party's consent to such charge being obtained) any distributorship or agreement for the licensing of Intellectual Property Rights or similar agreements entered into by it and any letters of credit issued in its favour;
- (vii) any beneficial interest, claim or entitlement of it to any assets of any pension fund;
- (viii) its present and future goodwill;
- (ix) the benefit of all present and future licences, permissions, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any of the Security Assets specified in paragraphs 4.1(a) and (b) and sub-paragraph (c)(i) of the Debenture and the right to recover and receive all compensation which may at any time become payable to it in respect thereof;
- (x) its present and future uncalled capital;
- (xi) all its present and future Intellectual Property Rights (including, without limitation, any rights and interest of any Chargor in those patents and trade marks and designs and domain names, if any, specified in Schedule C to this Companies Form M395) owned by it, subject to any necessary third party's consent to such charge being obtained. To the extent that any such Intellectual Property Rights are not capable of being charged (whether by reason of lack of any such consent as aforesaid or otherwise) and, if the same is required, pending the grant of any such consent as aforesaid or otherwise the charge thereof purported to be effected by Clause 4.1(c)(xi) of the Debenture shall operate as an assignment of any and all damages, compensation, remuneration, profit, rent or income which any Chargor may derive therefrom or be awarded or entitled to in respect thereof, as continuing security for the payment, discharge and performance of the Secured Liabilities; and

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- (xii) all stocks, shares, debentures, bonds, warrants, coupons or other securities and investments (including, without limitation, all Cash Equivalents) as at 11th July, 2001 or in the future owned by any or (when used in relation to a particular Chargor) that Chargor from time to time not charged pursuant to Clause 4.2 of the Debenture.
2. Pursuant to the terms of the Debenture, the Company as continuing security for the payment, discharge and performance of all the Secured Liabilities at any time owed or due to the Secured Creditors (or any of them):
- (a) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, mortgaged and charged and agreed to mortgage and charge to the Security Agent (as agent and trustee for the Secured Creditors) all Group Shares other than shares in companies incorporated in Scotland held as at 11th July, 2001 or in the future by it and/or any nominee on its behalf, the same to be a security by way of a first mortgage;
- (b) pledged and assigned and agreed to pledge and assign to the Security Agent (as agent and trustee for the Secured Creditors) all Group Shares in companies incorporated in Scotland (save to the extent charged or secured from time to time under the Scottish Security, if at all); and
- (c) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, mortgaged, charged and assigned and agreed to mortgage, charge and assign to the Security Agent (as agent and trustee for the Secured Creditors) all the Related Rights accruing to all or any of the Group Shares held as at 11th July, 2001 or in the future by it and/or any nominee on its behalf, the same to be a security by way of a first mortgage or charge or, if such Related Rights derive from shares in a company incorporated in Scotland, by way of assignment,

## PROVIDED THAT:

- (i) whilst no Event of Default is outstanding, all dividends and other distributions paid or payable as referred to in paragraph 4.2(c) of the Debenture may be paid directly to the relevant Chargor (in which case the Security Agent or its nominee shall promptly execute any necessary dividend mandate) and, if paid directly to the Security Agent, shall be paid promptly by it to the relevant Chargor;
- (ii) whilst no Event of Default is outstanding, the Security Agent shall use all its reasonable endeavours promptly to forward to the relevant Chargor all notices, correspondence and/or other communications it receives in relation to the Group Shares; and
- (iii) subject to Clause 10.2 (Powers) of the Debenture, whilst no Event of Default is outstanding, all voting rights attaching to the relevant Group Shares may be exercised by the relevant Chargor or, where the shares have been registered in the name of the Security Agent or its nominee, as the relevant Chargor may direct in writing, and the Security Agent and any nominee of the Security Agent in whose name such Group Shares are registered shall execute any form of proxy or other document reasonably required in order for the relevant Chargor to do so.

## Short Particulars of all property mortgaged or charged

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3. (a) The Company with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, as continuing security for the payment, discharge and performance of the Secured Liabilities at any time owed or due to the Secured Creditors (or any of them), assigned and agreed to assign to the Security Agent (as agent and trustee for the Secured Creditors) all its right, title and interest (if any) in and to:
- (i) the Insurances;
  - (ii) the Senior Hedging Documents;
  - (iii) the Share Purchase Agreement;
  - (iv) the Asset Purchase Agreements;
  - (v) the Transitional Services Agreement;
  - (vi) the Warranty Agreement;
  - (vii) any Intercompany Documents;
  - (viii) the RBS Development Agreement;
  - (ix) the Gatwick Management Contract; and
  - (x) the Café Royal Management Contract.
- (b) The Company shall after the date of the Debenture give notice of each such assignment of its right, title and interest (unless waived by the Security Agent):
- (i) in and to the Insurances, by sending a notice in the form of Part I of Schedule 3 to the Debenture (with such amendments as the Security Agent may agree) duly completed to each of the other parties to the Insurances; and
  - (ii) in and to the other Relevant Agreements by sending a notice substantially in the form of Part III of Schedule 3 to the Debenture (with such amendments as the parties may agree) to each of the other parties thereto,

and each Chargor shall use its reasonable endeavours to procure that, within 14 days of the date hereof or, if later, the date of entry into any such agreement, each such other party delivers a letter of undertaking to the Security Agent in the form of Part II of Schedule 3 to the Debenture (in the case of the Insurances) or in the form of Part IV of Schedule 3 to the Debenture (in the case of each of the other Relevant Agreements), in each case with such amendments as the Security Agent acting reasonably may agree. Notwithstanding the foregoing, any such notice required in accordance with the foregoing to be given to any person which is also a Chargor, and any such undertaking required in accordance with the foregoing to be given to the Security Agent by any person which is also a Chargor, need not actually be given, but the Debenture and the Schedules thereto and the execution of which by

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such Chargor shall be deemed to constitute such notice or such undertaking (as the case may be) with respect to the Relevant Agreement.

- (c) To the extent that any such right, title and interest described in paragraphs (a) and (b) of Clause 4.3 of the Debenture is not assignable or capable of assignment, the assignment thereof purported to be effected by paragraph 4.3(a) shall operate as:
- (i) in the case of the Insurances, an assignment of any and all proceeds of the Insurances received by each Chargor; and
  - (ii) in the case of the other Relevant Agreements, an assignment of any and all damages, compensation, remuneration, profit, rent or income thereof which any Chargor may derive therefrom or be awarded or entitled to in respect thereof,

in each case as continuing security for the payment, discharge and performance of the Secured Liabilities at any time owed or due to the Secured Creditors (or any of them).

- (d) Whilst no Event of Default is outstanding (i) the Security Agent shall permit the relevant Chargor to exercise its rights under any Relevant Agreement to which it is party as if there had been no assignment, PROVIDED THAT the exercise of these rights in the manner proposed would not result in an Event of Default under the terms of the Secured Finance Documents, and (ii) any payments received by the Security Agent under or in respect of the Relevant Agreements by virtue of the Debenture shall be paid by the Security Agent to the relevant Chargor save to the extent required by the terms of the Senior Facility Agreement, the Senior Mezzanine Facility Agreement, the Junior Mezzanine Facility Agreement or, as the case may be, the Priority Deed to be applied against any of the Secured Liabilities which are then due and payable (or as a result of such receipt become due and payable).

- 4.(a) The Company with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 (where applicable), as security for the payment, discharge and performance of the Secured Liabilities, charged (save to the extent charged under the Scottish Security, if at all) in favour of the Security Agent (as agent and trustee for the Secured Creditors) by way of a first floating charge all its undertaking and assets whatsoever and wheresoever both present and future, subject always to all mortgages, fixed charges and assignments created by or pursuant to Clause 4 (Fixed Charges; Assignments) of the Debenture or any other provision of the Debenture and the Scottish Security.

- (b) Pursuant to the terms of the Debenture, the Security Agent may by notice in writing to any Chargor convert the floating charge created by the Debenture into a specific charge as regards all or any of such Chargor's assets, rights and property specified in the notice:

- (i) if an Event of Default is outstanding; or
- (ii) if the Security Agent (acting in good faith) considers such assets, rights or property 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 immediate jeopardy; or
- (iii) if the Security Agent (acting in good faith) becomes aware or has reason to believe that steps have been taken which, in the opinion of the Security Agent acting

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reasonably, are reasonably likely to lead to the presentation of a petition to appoint an administrator in relation to such Chargor (or such administrator has been appointed) or to wind up such Chargor or that any such petition has been presented, which in the opinion of the Security Agent acting reasonably is reasonably likely to result in the winding up of such Chargor or the appointment of such administrator; or

- (iv) if such Chargor fails to comply, or takes or threatens to take any action which in the reasonable opinion of the Security Agent is likely to result in it failing to comply with its obligations under Clause 5.2 (Restrictions on dealing) of the Debenture.
  - (c) The floating charge created shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge over the assets, rights and property of any Chargor on the convening of any meeting of the members of such Chargor to consider a resolution regarding whether to wind such Chargor up (other than on a solvent basis) and on petition for administration
  - (d) Pursuant to the terms of the Debenture, the giving by the Security Agent of a notice pursuant to paragraph 5.3(a) to the Debenture in relation to any class of any Chargor's assets, rights and property shall not be construed as a waiver or abandonment of the Security Agent's rights to give other similar notices in respect of any other class of assets or of any other of the rights of the Secured Creditors (or any of them) under the Debenture or under any of the other Secured Finance Documents.
5. The Company undertook to each Secured Creditor that, save as permitted under the terms of the Debenture and as expressly permitted under each other Finance Document it will not:
- (a) create or permit to subsist any Security Interest over all or any of its assets, rights or property other than pursuant to the Debenture or any other Secured Finance Document; or
  - (b) part with, lease, sell, transfer, assign or otherwise dispose of or agree to part with, lease, sell, transfer, assign or otherwise dispose of all or any part of its assets, rights or property or any interest therein.

In this Companies Form M395:

"Acceptable Bank"

means a bank or financial institution which has a rating of AA- or higher by Standard & Poor's Rating Services, AA- or higher by Fitch, Inc. or Aa3 or higher by Moody's Investor Services Inc. or a comparable rating from a nationally recognised credit rating agency for its long-term debt obligations;

"Accession Agreement"

means an agreement substantially in the form of Schedule 7 of the Senior Facility Agreement (Form of Accession Agreement) by which an Additional Obligor becomes a party to the Senior Facility Agreement and to the Priority Deed;

"Accounting Principles"



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means:

- (a) for Grand Hotels (M) Intermediate Holding Company I Limited and any other Facility Obligor (as defined in the Senior Facility Agreement) incorporated in England and Wales, accounting principles and practices generally accepted in the United Kingdom and approved by the Institute of Chartered Accountants of England and Wales (including those set out in financial reporting standards, statements of standard accounting practice, urgent issues task force abstracts and legislation); and
- (b) for any other Facility Obligor (as defined in the Senior Facility Agreement), accounting principles and practices generally accepted in its jurisdiction of incorporation;

"Account Bank"

means each of the banks or financial institutions with whom the Security Accounts are maintained from time to time pursuant to Clause 11 (Account Banks) of the Debenture;

"Additional Borrower"

means a member of the Group which becomes a Borrower pursuant to the Senior Facility Agreement after 25th May, 2001;

"Additional Debt"

in relation to any obligation or liability means:

- (a) any refinancing, novation, deferral or extension of any of those liabilities;
- (b) any further advance made under any agreement supplemental to any relevant Finance Document plus all related interest, fees and costs;
- (c) any claim for damages or restitution in the event of rescission of any such liabilities or otherwise in connection with any relevant Finance Document;
- (d) any claim against any Obligor flowing from any recovery by an Obligor or any other person of a payment or discharge in respect of those liabilities on the grounds of preference or otherwise; and
- (e) any amounts (such as post-insolvency interest) which would otherwise be included in any such liability but for any discharge, non-provability, unenforceability or non-allowability of the same in any Insolvency or other proceedings;

"Additional Guarantor"

means a member of the Group which becomes a Guarantor pursuant to the Senior Facility Agreement after 25th May, 2001;

"Additional Obligor"

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means an Additional Borrower or an Additional Guarantor;

"Administrative Party"

means an Arranger, the Facility Agent, Security Agent or the Issuing Bank;

"Agents"

means the Senior Agent, the Senior Mezzanine Agent, the Security Agent and the Junior Mezzanine Agent;

"Ancillary Finance Document"

means any document evidencing any bilateral facility which any one or more Lenders may make available in place of all or part of its Tranche A Revolving Credit Commitment (see "Revolving Credit Commitment") as provided for in the Senior Facility Agreement;

"Arrangers"

means CIBC World Markets plc and Merrill Lynch International;

"Asset Purchase Agreements"

means the three business sale and purchase agreements dated 25th May, 2001 between Forte (UK) Limited, Compass Group PLC and Grand Hotels (CR) Limited in relation to Café Royal, and Grand Hotels (M) Gatwick Limited and RBS Hotel Investments No. 2 Limited in relation to the Meridien Gatwick, and Grand Hotels (M) Heathrow Limited in relation to the Heathrow Excelsior;

"Base Currency"

means Sterling;

"Borrower"

means an Original Borrower or an Additional Borrower;

"Business Day"

means a day (other than a Saturday or a Sunday) on which banks are open for general business in London and:

- (a) if on that day a payment in or a purchase of a currency (other than euros) is to be made, the principal financial centre of the country of that currency; or;
- (b) if on that day a payment in or a purchase of euros is to be made, which is also a TARGET Day;

"Café Royal Management Contract"

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means the management contract between, Grand Hotels (CR) Limited and Forte UK Limited in relation to the management of the Café (as defined therein);

"Cash Equivalents"

means, at any time:

- (a) certificates of deposit, maturing within one year after the relevant date of calculation, issued by an Acceptable Bank;
- (b) any investment in marketable obligations issued or guaranteed by the government of the United States, Switzerland or the European Union (excluding Greece and any country which becomes a member thereof after the Senior Facility Agreement) or by an instrumentality or agency of the government of the United States, Switzerland or the European Union (excluding Greece and any country which becomes a member thereof after the date of the Senior Facility Agreement) having an equivalent credit rating;
- (c) open market commercial paper:
  - (i) for which a recognised trading market exists;
  - (ii) issued in Sterling, US Dollars, Euros or Swiss Francs;
  - (iii) which matures within one year after the relevant date of calculation; and
  - (iv) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services, AA- or higher by Fitch, Inc. or P-1 or higher by Moody's Investor Services Inc., or, if no rating is available in respect of the commercial paper or indebtedness, the issuer of which has, in respect of its long-term debt obligations, an equivalent rating;

"Collateral Account"

means each account referred to in clause 8.2 of the Debenture maintained from time to time by a Chargor at such branch of the Account Bank as the Security Agent and Grand Hotels (M) Intermediate Holding Company I Limited may from time to time agree;

"Commitment"

means a Commitment under a term loan facility or the revolving credit facility made available under the Senior Facility Agreement;

"Commitment Letter"

means the commitment letter dated 25th May, 2001 between, inter alios, the Original Borrower and the Arrangers;

"Deed of Accession"

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means a deed substantially in the form of Schedule 7 the the Debenture executed or to be executed by a Chargor;

"Event of Default"

means an Event of Default as defined in the Senior Facility Agreement, the Italian Facility Agreement, the Senior Mezzanine Facility Agreement or the Junior Mezzanine Facility Agreement, as the context requires;

"Facility Agent"

means CIBC World Markets plc;

"Facility Obligor"

means each Obligor under, and as defined in, the Senior Facility Agreement and each Obligor under, and as defined in, the Senior Mezzanine Facility Agreement and each Obligor under, and as defined in, the Junior Mezzanine Facility Agreement and each Obligor under, and as defined in, the Italian Facility Agreement;

"Fee Letter"

means any letter entered into on or before 11th July, 2001 between one or more Administrative Parties and the Original Borrower setting out the amount of certain fees referred to in the Senior Facility Agreement together with a related indemnity provided by Newgate Holdings Limited;

"Finance Document"

means each of the Senior Finance Documents, the Senior Hedging Documents, the Senior Mezzanine Finance Documents, the Junior Mezzanine Finance Documents, the Intercompany Documents and the Investor Documents;

"Financial Indebtedness"

means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any acceptance credit;
- (c) any bond, note, debenture, loan stock or other similar instrument;
- (d) any finance or capital lease or other arrangement treated as a finance lease under the Accounting Principles;
- (e) receivables sold or discounted (otherwise than on a non-recourse basis);

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- (f) the acquisition cost of any asset to the extent payable more than six months after its acquisition or possession by the party liable where the deferred payment is arranged primarily as a method of raising finance or financing the acquisition of that asset;
  - (g) any derivative transaction protecting against or benefiting from fluctuations in any rate or price (and at any time the then marked to market value of the derivative transaction will be used to calculate its amount);
  - (h) any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing;
  - (i) any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution; or
  - (j) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any item referred to in paragraphs (a) to (i) above;

provided that no amount shall be taken into account more than once in the calculation of Financial Indebtedness;

"Fixtures"

means, in relation to any freehold or leasehold property charged by or pursuant to this security, all fixtures and fittings in the nature of fixtures (including trade fixtures and fittings) and fixed plant and machinery from time to time thereon owned by any Chargor;

"Gatwick Management Contract"

means the management contract between Forte (UK) Limited and Grand Hotels (M) Gatwick Limited in relation to the management of the Hotel as defined therein;

"Group"

means Grand Hotels (M) Intermediate Holding Company I Limited and its Subsidiaries from time to time;

"Group Shares"

means all shares specified in Schedule A to this Companies Form M395 or in the Schedule to any Deed of Accession or, when used in relation to a particular Chargor, such of those shares as are specified against its name in Schedule A to this Companies M395 or as are specified in the Schedule to a Deed of Accession to which it is party, together in each case with all other stocks, shares, debentures, bonds, warrants, coupons or other securities and investments as at 11th July, 2001 or in the future owned by any or (when used in relation to a particular Chargor) that Chargor from time to time;

"Guarantee Agreement"

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means the guarantee and cash collateral agreement dated 11th July, 2001 between the Italian Lender and the Surety Providers;

"Guarantor"

means Grand Hotels (M) Intermediate Holding Company I Limited, an Original Guarantor or an Additional Guarantor;

"Hedging Document"

means any ISDA master agreement and related confirmation and any other currency or interest hedging agreements or documents which may be entered into by a member of the Group as contemplated by the Hedging Letter;

"Hedging Letter"

means a letter dated 25th May, 2001 between a member of the Group and the Facility Agent relating to the interest hedging to be effected by certain members of the Group;

"IBLOR Fee Letter"

means the letter entered into on or before 11th July, 2001 between the Italian Lender and Grand Hotels (M) Intermediate Holding Company I Limited setting out the amount of certain fees referred to in the Italian Facility Agreement;

"Insurances"

means all contracts and policies of insurance (including, for the avoidance of doubt all cover notes) of whatever nature which are from time to time taken out by or on behalf of any Chargor or (to the extent of such interest) in which any Chargor has an interest;

"Intellectual Property Rights"

means all know-how, patents, trade marks, service marks, designs, business names, domain names, topographical or similar rights, copyrights and other intellectual property rights and any interests (including by way of licence) in any of the foregoing (in each case whether registered or not and including all applications for the same) of any member of the Group;

"Intercompany Documents"

means each agreement and instrument evidencing any Financial Indebtedness from time to time made available by one Obligor to another Obligor, together with any document granting security in relation to such Financial Indebtedness approved by the Security Agent;

"Investor Debt"

means all present and future liabilities (actual or contingent) payable or owing by Grand Hotels (M) Intermediate Holding Company I Limited or any other Obligor to any of the Sub-Debt Investors (a) under or in connection with the Investor Documents (including, without limitation, any dividends), (b)

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in respect of any advisory, monitoring or management fee, or (c) in respect of any claim for misrepresentation or breach of undertaking under or in connection with the Investor Documents, in each case whether or not matured and whether or not liquidated, and together with any Additional Debt relating thereto;

"Investor Documents"

means:

- (a) each agreement and each instrument evidencing any Financial Indebtedness or other amounts owing from an Obligor to any Sub-Debt Investor, including, without limitation, the Parent Holdco Note Subscription Facility; and
- (b) the Priority Deed;

"Issuing Bank"

means CIBC World Markets plc;

"Italian Debt"

means all present and future liabilities (actual or contingent) payable or owing by any Obligor to the Italian Lender under or in connection with the Italian Finance Documents, whether or not matured and whether or not liquidated, together with any Additional Debt related thereto;

"Italian Facility Agreement"

means the term loan and revolving credit facility dated 11th July, 2001 between, inter alia, Grand Hotels (M) Holdings S.p.A and the Italian Lender;

"Italian Finance Documents"

means:

- (a) the Italian Facility Agreement;
- (b) the IBLOR Fee Letter;
- (c) the Guarantee Agreement;
- (d) the Priority Deed;
- (e) each Accession Agreement and Transfer Certificate (each as defined in the Italian Facility Agreement);
- (f) each Security Document to the extent that it secures the obligations of any Obligor (as defined in the Italian Facility Agreement) under the Italian Facility Agreement; and

Short Particulars of all property mortgaged or charged

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- (g) any other documents designated as such by the Italian Lender and Grand Hotels (M) Intermediate Holding Company I Limited;

"Italian Lender"

means Merrill Lynch Capital Markets Bank Limited, Milan Branch or any New Lender (as defined in Clause 31 of the Italian Facility Agreement)(Changes to the Parties);

"Junior Mezzanine Agent"

means Mable Commercial Funding Limited in its capacity as facility agent for the Junior Mezzanine Creditors under the Junior Mezzanine Facility Agreement;

"Junior Mezzanine Creditors"

means each of:

- (a) Mable Commercial Funding Limited in its capacity as creditors from time to time in respect of any Junior Mezzanine Debt;
- (b) the Junior Mezzanine Arranger under and as defined in the Junior Mezzanine Facility Agreement, the Junior Mezzanine Agent and, after the Senior Mezzanine Discharge Date, the Security Agent; and
- (c) any successor, transferee, replacement or assignee of any such person;

"Junior Mezzanine Debt"

means all present and future liabilities (actual or contingent) payable or owing by Grand Hotels (M) Intermediate Holding Company I Limited or any other Obligor to any of the Junior Mezzanine Creditors under or in connection with the Junior Mezzanine Finance Documents, whether or not matured and whether or not liquidated, and together with any Additional Debt relating thereto;

"Junior Mezzanine Deposit Account"

means an interest bearing deposit account in the name of Grand Hotels (M) Intermediate Holding Company I Limited with the Security Agent to meet any future unpaid interest on the Junior Mezzanine Debt, subject to such payments not exceeding the Maximum Junior Mezzanine Deposit Account;

"Junior Mezzanine Facility Agreement"

means the facility agreement dated 29th June, 2001 as amended on 11th July, 2001 between amongst others, the Borrower, the Guarantors, the Lenders (each as defined therein) and Mable Commercial Funding Limited as the Junior Mezzanine Arranger and Junior Mezzanine Agent together with each Accession Agreement relating thereto and any and each other agreement or instrument supplementing or amending it;

"Junior Mezzanine Finance Documents"



Short Particulars of all property mortgaged or charged

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means the Junior Mezzanine Facility Agreement and each other document specified as a Junior Mezzanine Finance Document in the Junior Mezzanine Facility Agreement;

"Lender"

means

(a) an Original Lender; and

(b) any New Lender;

"Management Loan Notes"

mean the £2,100,000 floating rate unsecured loan notes 2005 issued to Anthony Troy as part of the acquisition of the Principal Group, to the extent cash collateralised by the Management Loan Note Deposit;

"Management Loan Note Deposit"

means the cash deposit in an amount equal to the principal amount of the Management Loan Notes, to be applied to meet the obligations owed under the Management Loan Notes;

"Maximum Junior Mezzanine Deposit Amount"

means:

- (i) for the period from (and including) the date of drawdown of the Junior Mezzanine Debt up to (but excluding) 30th September, 2002, an amount equivalent to 17.5 per cent. per annum on the original principal amount and unpaid interest outstanding under the Junior Mezzanine Finance Documents for that period, less any payments of interest already received by the Junior Mezzanine Creditors under Clause 7.4 of the Priority Deed; and
- (ii) for each consecutive 12 month period thereafter, an amount equivalent to 17.5 per cent per annum on the original principal amount and unpaid interest outstanding under the Junior Finance Documents for that period plus any unpaid interest from previous periods (whether or not capitalised) less any payments of interest received by the Junior Mezzanine Creditors under Clause 7.3 (Permitted Payments from Excess Cashflow) or Clause 7.4 of the Priority Deed in that period;

"MFA Intercreditor Deeds"

means each intercreditor deed entered into prior to 11th July, 2001 between, inter alios, an RBS Sale and Leaseback Subsidiary, Grosvenor House (Park Lane) Limited or Waldorf Hotel Company Limited and, in each case, the Security Agent in relation to their respective Maintenance Fund Accounts (as defined in each MFA Intercreditor Deed);

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"New Lender"

has the meaning given to it in Clause 31 of the Senior Facility Agreement (Changes to the Parties);

"Original Lenders"

means CIBC World Markets Plc and Merrill Lynch Capital Corporation (as transferee from Merrill Lynch Mortgage Capital Inc., an Original Lender under the Senior Facility Agreement);

"New Obligor"

has the meaning given to it in paragraph 23.3 (New Obligors) of the Priority Deed;

"Obligor"

means, Grand Hotels (M) Intermediate Holding Company I Limited, Grand Hotels (M) Acquisition Company I Limited and each New Obligor;

"Original Borrower"

means Grand Hotels (M) Acquisition Company I Limited;

"Original Guarantor"

means Grand Hotels (M) Acquisition Company I Limited and Grand Hotels (M) Intermediate Holding Company I Limited;

"Original Surety Provider"

means the banks and financial institutions listed in Schedule 1 to the Guarantee Agreement;

"Parent Holdco Note Subscription Facility"

means the zero coupon note subscription commitment facility entered into on 11th July, 2001 by Grand Hotels (M) Intermediate Holding Company I Limited as issuer and Grand Hotels (M) Services Company plc as subscriber, and any note issued thereunder;

"Principal Group"

means Grand Hotels Services Company plc (registered number 04214296) and its Subsidiaries;

"Priority Deed"

means a deed dated 11th July, 2001 between, amongst others, the Obligors, the Senior Creditors, the Senior Mezzanine Creditors, the Junior Mezzanine Creditors, the Sub-Debt Investors and the Guarantee Provider (each defined therein);

"RBS Development Agreement"

## Short Particulars of all property mortgaged or charged

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means the agreement dated 11th July, 2001 between, inter alia, Natwest Leasing Facilities Limited and Grand Hotels (M) Development Company Limited;

"RBS Hybrid Loan Subsidiaries"

means each of Grand Hotels (M) Acquisition Company IV Limited, Grand Hotels (M) Property Company I Limited, Grand Hotels (M) Property Company II Limited, Waldorf Hotel Company Limited and Grosvenor House (Park Lane) Limited;

"RBS Priority Deed"

means the priority deed dated on or about 11th July, 2001 between, inter alios, RBS, the Facility Agent, the Senior Mezzanine Agent (as defined in the Senior Mezzanine Facility Agreement), the Junior Mezzanine Agent (as defined in the Junior Mezzanine Facility Agreement) and the Security Agent relating to *inter alia* the ranking of security granted over the assets of the RBS Sale and Leaseback Subsidiaries and the RBS Hybrid Loan Subsidiaries;

"RBS Sale and Leaseback Subsidiary"

means each of the companies details of which are set out in Schedule 10 of the Senior Facility Agreement (RBS Sale and Leaseback Subsidiaries);

"Realisations Account"

means each account maintained from time to time by or in the name of the Chargors or any of them for the purposes of Clause 13.2 of the Debenture at such branch or branches of an Account Bank as the Security Agent may from time to time approve;

"Related Rights"

means, in relation to the Group Shares, all dividends and other distributions paid or payable after the date hereof on all or any of the Group Shares and all stocks, shares, securities (and the dividends or interest thereon), rights, money or property accruing or offered at any time by way of redemption, bonus, preference, option rights or otherwise to or in respect of any of the Group Shares or in substitution or exchange for any of the Group Shares;

"Relevant Agreements"

means any agreement or instrument assigned or purported to be assigned pursuant to Clause 4.3 of the Debenture and/or any Deed of Accession together with any and each other agreement or instrument supplementing or amending any such agreement or contract;

"Revolving Credit Commitment"

means:

- (a) for an Original Lender, when designated "A" or "B" the amount set opposite its name in Schedule 1 Part II of the Senior Facility Agreement (Original Parties) under the heading "Revolving Credit Commitment" and the amount of any other Revolving Credit Commitment, as so designated, it acquires; and

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- (b) for any other Lender, when designated "A" or "B" the amount of any Revolving Credit Commitment, as so designated, it acquires; and
- (c) without any designation, the aggregate amount of a Lender's A Revolving Credit Commitment and B Revolving Credit Commitment,

to the extent not cancelled, transferred or reduced under the Senior Facility Agreement;

"Scottish Security"

means the share pledge between Meridien Holdings UK Limited and the Security Agent and the standard security by Principal Hotels (GB) Limited in each case dated 11th July, 2001 in favour of the Security Agent and any other standard security governed by Scottish law granted by any Chargor to the Security Agent over any land situated in Scotland and any other document governed by Scottish law under which any security interest is granted by any Chargor;

"Secured Creditor"

means a Senior Creditor, a Senior Hedging Bank, a Senior Mezzanine Creditor or a Junior Mezzanine Creditor, as the context requires (together the "Secured Creditors");

"Secured Finance Documents"

means the Senior Finance Documents, the Senior Hedging Documents, the Senior Mezzanine Finance Documents and the Junior Mezzanine Finance Documents;

"Security Accounts"

means the Collateral Accounts, the Realisations Accounts and Junior Mezzanine Deposit Account;

"Security Assets"

means all assets, rights and property of the Chargors or any of them the subject of any security created by the Debenture or pursuant to the Debenture and includes, for the avoidance of doubt, each Chargor's rights to or interests in any chose in action and the Security Shares;

"Security Document"

means any document evidencing or creating a Security Interest over any asset of any Facility Obligor (including pursuant to the Security Memorandum) to secure any obligation of any Facility Obligor under the Senior Finance Documents;

"Security Memorandum"

means the memorandum initialled on 25th May, 2001 as amended on or about 11th July, 2001 prepared by Clifford Chance and Allen & Overy entitled "Project Olive - Security Memorandum" (as further amended from time to time by the agreement of Grand Hotels (M) Intermediate Holding Company I Limited, the Arrangers and the Arrangers (as defined in the Senior Mezzanine Facility

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Agreement)) together with the cost proposal signed by Grand Hotels (M) Intermediate Holding Company I Limited and the Security Agent dated on or about 11th July, 2001;

"Security Period"

means the period beginning on 11th July, 2001 and ending on the date on which the Security Agent is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid in full;

"Security Shares"

means the Group Shares and the Related Rights and, in the case of each Chargor, means such of the Group Shares as are held by it at the relevant time, together with all Related Rights in respect thereof;

"Senior Agent"

means CIBC World Markets plc in one or other (or both) of its capacities as Facility Agent for the Senior Creditors under the Senior Facility Agreement and as Surety Agent of the Surety Providers under the Guarantee Agreement;

"Senior Creditor"

means:

- (a) the Senior Lenders;
- (b) *each of the Arrangers, the Senior Agent and (until the Senior Discharge Date) the Security Agent;*
- (c) each of the Italian Lender and the Arrangers under (and as defined in) the Italian Facility Agreement;
- (d) the Surety Agent under the Guarantee Agreement and, upon their ( and subject to their first) acquiring (by way of subrogation) any right or interest in any Italian Debt or the rights of the Italian Lender in respect thereof under the Italian Finance Documents, any and each of the Surety Providers; and
- (e) any successor, transferee, replacement or assignee of any of the above;

"Senior Debt"

means all present and future liabilities (actual or contingent) payable or owing by any Obligor to any Senior Creditor under or in connection with the Senior Finance Documents, whether or not matured and whether or not liquidated, together with any Additional Debt related thereto but, provided that, for the avoidance of doubt:

- (a) a debt owed both to the Italian Lender and a Surety Provider shall not be included twice for the purposes of this definition; and

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- (b) the liabilities owing solely from the Italian Lender to a Surety Provider or from a Surety Provider to the Italian Lender shall not be included in this definition;

"Senior Discharge Date"

means the date on which the Senior Agent is satisfied that all of the Senior Debt and Senior Hedging Debt has been irrevocably paid and discharged and all Commitments of the Senior Creditors and all obligations of the Senior Hedging Banks under the Senior Hedging Documents have been terminated;

"Senior Facility Agreement"

means the facility agreement dated 25th May, 2001 as amended on 11th July, 2001 between, amongst others, the Borrowers, the Guarantors, the Arrangers, the Lenders, the Facility Agent and the Security Agent (each as defined therein) together with each Accession Agreement relating thereto and any other agreement or instrument supplementing or amending it;

"Senior Finance Documents"

means:

- (a) the Senior Facility Agreement;
- (b) a Fee Letter;
- (c) an Accession Agreement;
- (d) a Transfer Certificate;
- (e) an Ancillary Facility Document;
- (f) a Hedging Document;
- (g) a Security Document;
- (h) the Priority Deed;
- (i) the Commitment Letter;
- (j) the RBS Priority Deed;
- (k) the Italian Finance Documents;
- (l) the MFA Intercreditor Deeds; or
- (m) any other document designated as such by the Facility Agent and Grand Hotels (M) Intermediate Holding Company I Limited (and as at 11th July, 2001, the Facility Agent and Grand Hotels (M) Intermediate Holding Company I Limited designate the RBS Priority Deed and each MFA Intercreditor Deed as Senior Finance Documents);

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and includes any and each other agreement or instrument supplementing or amending any of such documents;

"Senior Hedging Debt"

means all present and future liabilities (actual or contingent) payable or owing by any Obligor as defined in the Priority Deed to any Senior Hedging Bank under or in connection with the Senior Hedging Documents, whether or not matured and whether or not liquidated, together with any Additional Debt relating to such liabilities;

"Senior Hedging Document"

means each master agreement, confirmation or other document evidencing any interest rate hedging or other agreement provided by a Senior Hedging Bank to an Obligor, which arrangement is required under the Hedging Letter or has been approved by each of the Agents under Clause 5.1 (Accession of Senior Hedging Banks) (collectively the "Senior Hedging Documents");

"Senior Hedging Bank"

means CIBC World Markets plc and Merrill Lynch Capital Markets Bank Limited and any other bank or financial institution which becomes a party to the Priority Deed as a Senior Hedging Bank under Clause 5.1 (Accession of Senior Hedging Banks) of the Priority Deed in each case in its capacity as provider of interest rate swap or other hedging arrangements to any of the Obligors (as defined in the Priority Deed);

"Senior Lenders"

means CIBC World Markets plc, Merrill Lynch Capital Corporation and Merrill Lynch Capital Markets Bank Limited in their capacity as lenders under the Senior Facility Agreement;

"Senior Mezzanine Agent"

means CIBC World Markets plc in its capacity as facility agent for the Senior Mezzanine Creditors under the Senior Mezzanine Facility Agreement;

"Senior Mezzanine Creditor"

means each of:

- (a) CIBC World Markets plc and Merrill Lynch Capital Corporation in their capacity as Lenders under and as defined in the Senior Mezzanine Facility Agreement;
- (b) the Arrangers under and as defined in the Senior Mezzanine Facility Agreement, the Senior Mezzanine Agent and (after the Senior Discharge Date but before the Senior Mezzanine Discharge Date) the Security Agent; and
- (c) any successor, transferee, replacement or assignee of any of the above;

"Senior Mezzanine Debt"

## Short Particulars of all property mortgaged or charged

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means all present and future liabilities (actual or contingent) payable or owing by any Obligor to any Senior Mezzanine Creditor under or in connection with any Senior Mezzanine Finance Document, whether or not matured and whether or not liquidated, together with any additional debt relating thereto;

"Senior Mezzanine Discharge Date"

means the date on which the Senior Mezzanine Agent is satisfied that all of the Senior Mezzanine Debt has been irrevocably paid and discharged and all Commitments under (and as defined in) the Senior Mezzanine Facility Agreement have been cancelled;

"Senior Mezzanine Facility Agreement"

means the Senior Mezzanine Facility Agreement dated 25th May, 2001 as amended and restated on 11th July, 2001 between Grand Hotels (M) Intermediate Holding Company I Limited and certain of the other Obligors (as defined in the Priority Deed), the Senior Mezzanine Creditors and the Senior Mezzanine Agent providing for a £75,000,000 term loan facility and any and each other agreement or instrument supplementing and amending it;

"Senior Mezzanine Finance Document"

means the Senior Mezzanine Facility Agreement and each other document specified as a Senior Mezzanine Finance Document in the Senior Mezzanine Facility Agreement and includes any and each agreement or instrument supplementing or amending any of the documents;

"Share Purchase Agreement"

means the share sale and purchase agreement dated 25th May, 2001 between Hospitality Holdings Limited, Grand Hotels (M) Acquisition Company I Limited and Compass Group PLC, Forte (UK) Limited and Forte International BV;

"Sub-Debt Investors"

means the persons named in Schedule 6 to the Priority Deed in their capacity as creditors from time to time in respect of any Investor Debt and any successor, transferee, replacement or assignee of any such person;

"Subsidiary"

means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50% of the share capital or similar rights of ownership and "control" for this purpose means the power to direct the management and the policies of the entity whether through the ownership of share capital, contract or otherwise;

"Surety Agent"

means CIBC World Markets plc and any successor Surety Agent as provided for in Clause 22.15 of the Guarantee Agreement (Resignation of the Surety Agent);



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"Surety Providers"

means each of the following:

- (a) each Original Surety Provider;
- (b) each bank or other financial institution to which rights and/or obligations under the Guarantee Agreement are assigned, transferred or novated pursuant to Clause 24 of the Guarantee Agreement (Transfers by Surety Providers) or 25 of the Guarantee Agreement (Transfer by the Lender) or which assumes rights and obligations pursuant to a Novation Certificate or an Accession Certificate (each as defined in the Guarantee Agreement); and
- (c) any successor or successors in title to any of the foregoing;

(together the "Surety Providers"), provided that upon (i) termination in full of all the Surety Commitments (as defined in the Guarantee Agreement) of any Surety Provider, and (ii) irrevocable payment in full of all amounts which may be or become payable to such Surety Provider hereunder, such Surety Provider shall not be regarded as being a Surety Provider for the purposes of determining whether any provision of the Guarantee Agreement requiring consultation with or the consent or approval of or instructions from the Surety Providers or any of them or the Majority Risk Parties (as defined in the Guarantee Agreement) has been complied with;

"TARGET Day"

means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in euro;

"Transfer Certificate"

means a certificate in the form of Schedule 5 of the Senior Facility Agreement (Form of Transfer Certificate) with such amendments as the Facility Agent may approve or reasonably require;

"Transitional Services Agreement"

means the transitional services agreement in relation to the sale and purchase of the Meridien Group between Compass Group plc and Grand Hotels (M) Acquisition Company I Limited; and

"Warranty Agreement"

means the deed of warranty dated 25th May, 2001 relating to certain hotels between inter alios, Hospitality Holdings Limited, The Royal Bank of Scotland Plc, Compass Group plc and Grand Hotels (M) Acquisition I Company Limited.

In this Companies Form M395, unless the contrary intention appears, a reference to:

- (a) (i) an "amendment" includes a supplement, novation, restatement or re-enactment and "amended" is to be construed accordingly;

## Short Particulars of all property mortgaged or charged

"assets" includes present and future properties, revenues and rights of every description;

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

a "company" includes a corporation or a body corporate;

to "dispose" means to sell, transfer, grant, lease or otherwise dispose of and "disposal" is to be construed accordingly;

a provision or matter "including" or which "includes" shall be construed without limitation to any events, circumstances, conditions, acts or matters listed or specified after those words;

"indebtedness" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money;

a "person" includes any individual, company, government, state, agency, organisation, association, body, department, trust, partnership (whether or not having separate legal personality) or any other entity of any description;

- (ii) a currency is a reference to the lawful currency for the time being of the relevant country;
  - (iii) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
  - (iv) a person includes its successors in title, permitted assigns and permitted transferees;
  - (v) the singular includes the plural and vice versa;
  - (x) a time of day is a reference to London time/
- (b) Unless the contrary intention appears, a reference to a "month" or "months" is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:
- (i) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);
  - (ii) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and
  - (iii) notwithstanding sub-paragraph (i) above, a period which commences on the last Business Day of a month will end on the last Business Day in the calendar month in which it is to end.

# **SCHEDULE A**

## **Group Shares**

<b>Chargor</b>	<b>Name of Company in which Shares are held</b>	<b>Name of Nominee (if any) by whom shares held</b>	<b>Class of Shares held</b>	<b>Number of Shares held</b>
Grand Hotels (M) Intermediate Holding Company I Limited	Grand Hotels (M) Intermediate Holding Company II Limited		Ordinary shares of £1	1
Grand Hotels (M) Intermediate Holding Company II Limited	Grand Hotels (M) Acquisition Company II Ltd Grand Hotels (M) Acquisition Company I Ltd		Ordinary shares of £0.01 Ordinary shares of £0.01	1 1
Grand Hotels (M) Acquisition Company I Limited	Grand Hotels Services Company plc  Grand Hotels (Cumberland) Services Company plc Grand Hotels (M) Acquisition Company III Limited Forte Limited  Meridien Hotels Limited Grand Hotels (CR) Limited		Ordinary Shares of £0.01 Preference shares of £1 each Ordinary shares of £0.01 Cumulative preference shares of £1 Ordinary shares of £0.01  Ordinary Shares of 25 pence each Ordinary Shares of 25 pence each Ordinary Shares of £1 each	2 50000 2 50000 1  1,467,799, 121 23,884,300 1

Chargor	Name of Company in which Shares are held	Name of Nominee (if any) by whom shares held	Class of Shares held	Number of Shares held
Grand Hotels (M) Acquisition Company II Limited	The Victoria & Albert Hotel Company Limited		Ordinary Shares of £1	10,000
	Grand Hotels (M) Heathrow Limited		Ordinary shares of £1	1
	Grand Hotels (M) Gatwick Limited		Ordinary shares of £1	1
Meridien Holdings UK Limited	Le Meridien Piccadilly Ltd (Scottish pledge)		Deferred Shares of £1 each	9,180,000
			Ordinary Shares of £1 each	9,177
	Selkirk House (MH) Limited		Ordinary Shares of £1 each	9,900

Chargor	Name of Company in which Shares are held	Name of Nominee (if any) by whom shares held	Class of Shares held	Number of Shares held
Forte Limited	Forte Holdings Limited		7% cumulative redeemable preference shares of £1 each.	1,500,000
			4.5% second cumulative preference shares.	401,500
			7% second cumulative preference shares.	2,816,579
			Ordinary shares of 25p each.	2,132,852,626
	Forte Hotels Limited		A Ordinary shares of 25p each.	24,824,192
			Ordinary shares of £1 each	100,001

Chargor	Name of Company in which Shares are held	Name of Nominee (if any) by whom shares held	Class of Shares held	Number of Shares held
	Forte Hotels & Resorts Limited		Ordinary shares of £1 each. 5% cumulative preference shares of £1 each	500 500
	Le Meridien Worldwide Limited		Ordinary shares of £1	1
	Excelsior Hotels Limited		Ordinary shares of £1	36,000
	Post Inns Limited		Stock units of £1 each. 6% cumulative preference shares of £1 each. 6.5% cumulative preference shares of £1 each.	725,000 100,000 100,000.
	Crest Hotels Limited		Ordinary shares of £1	110,000
Forte Holdings Limited	Forte International Limited Forte Hotels (UK) Limited Sociedade Hoteleira Sao Laurengo Lda Golfelago Sociedade de Promacao Turistica Lda		Ordinary shares of £1 Ordinary Shares of £1 Shares of 1 Peseta Shares of 1 Escudo	2 89,101 5,000 14,960,000
Forte Hotels (UK) Limited	Forte Albany Hotels Limited Forte Grand Limited Forte Crest Limited		Ordinary Shares of £1 Ordinary Shares of £1 Ordinary Shares of £1 each	2 100 100
Phoenicia Hotel Company Limited				
Grand Hotels Services Company plc	Grand Hotels Acquisition Company Limited		Ordinary shares of £0.01 each	1
Grand Hotels Acquisition Company Limited	Principal Hotels (Holdings) Ltd		Ordinary shares of £0.10 Preferred ordinary shares of	412,964 1,227,573

Chargor	Name of Company in which Shares are held	Name of Nominee (if any) by whom shares held	Class of Shares held	Number of Shares held
			£0.10	
Principal Hotels (Holdings) Limited	Principal Hotels Limited		Ordinary shares of £0.10 Preferred ordinary shares of £0.10	317,695 2,223,862
Principal Hotels Limited	Selsdon Park Golf Club Limited		Ordinary shares of £1	10,000
	Principal Retained Hotels Limited		Ordinary shares of £1	1
	Principal Hotels (GB) Limited		Ordinary shares of £1	15,000,001
	Principal Overseas Limited		Ordinary shares of £1	1
	The Selsdon Park Hotel Limited		Ordinary shares of £1	10,000
	Principal Hotels (Europe) Limited		Ordinary shares of £1	1
	Principal Hotels (Health and Leisure) Limited		Ordinary shares of £1	1
Grand Hotels (Cumberland) Services Company plc	Grand Hotels (Cumberland) Acquisition Company Limited		Ordinary shares of £0.01	1
Grand Hotels (Cumberland) Acquisition Company Limited	Cumberland Hotel Limited		Ordinary shares of £1	100
			Preference shares of £1 each	275
Forte Crest Limited	Sociedade Hoteleira Sao Laurengo Lda		Shares of 1 peseta	139,995,000
The Iberian and Mediterranean Hotel Co. Ltd.				
Principal Overseas Limited				
Forte International Limited	Apollo Hotel B.V		Shares of 1 Euro	4,991,655

Chargor	Name of Company in which Shares are held	Name of Nominee (if any) by whom shares held	Class of Shares held	Number of Shares held
	Forte (Bahamas) Limited	Leon Poitier; Giselle Pyfrom	Shares of 1 Bermudan £	[5]
Crest Hotels Limited	Forte (Hong Kong) Limited	Straith Nominees (1)	Shares of 10 HK\$	1
Excelsior Hotels Limited	Sociedade Turistica da Penina		Shares of 1,000 Pesetas	115,595
Post Inns Limited	Sociedade Turistica da Penina		Shares of 1,000 Pesetas	91,185
Forte Hotels and Resorts Limited	Sociedade Turistica da Penina		Shares of 1,000 Pesetas	104,213
Le Meridien Worldwide Limited				
Forte Albany Hotels Limited				
Meridien Hotels Limited				
Grand Hotels (CR) Limited				
Forte Hotels Limited				
Selsdon Park Golf Club Limited	The Selsdon Park Hotel Limited		Ordinary Shares of £1	10,000
Principal Retained Hotels Limited				
Selsdon Park Hotel Limited				
Cumberland Hotel Limited				
Le Meridien Piccadilly Limited				
Waldorf Hotel Company Limited				
Grosvenor House (Park Lane) Limited				
The Victoria and Albert Hotel Company Limited				



Chargor	Name of Company in which Shares are held	Name of Nominee (if any) by whom shares held	Class of Shares held	Number of Shares held
Grand Hotels (M) Heathrow Limited				
Grand Hotels (M) Gatwick Limited				
Knotts Holding Company Limited				

**SCHEDULE B****PART I****Freehold Property all owned by Principal Hotels (GB) Limited**

1. The freehold property known as the Queen Hotel, City Road, Chester, Cheshire registered at Birkenhead District Land Registry under the number CH289405.
2. The freehold property known as The North Stafford Hotel, Station Road, Stoke-on-Trent, Staffordshire registered at Birkenhead District Land Registry under title number SF224698.
3. The freehold property known as Manor House Hotel, North Bovey, Teignbridge, Devon registered at Plymouth District Land Registry under title number DN145664.
4. The freehold property known as The Keswick Hotel, Keswick, Allerdale, Cumbria registered at Durham District Land Registry under title number CU62907.
5. The freehold property known as Norbreck Castle Hotel, Queen's Promenade, North Shore, Blackpool, Lancashire registered at Lytham District Land Registry under title number LA440672.
6. The freehold property known as The Golf Hotel, The Broadway, Woodhall Spa, Lincolnshire registered at Kingston-upon-Hull District Land Registry under title number LL54559.
7. The freehold property known as The Chesford Grange Hotel, Kenilworth Road, Warwick, and East and West Spinneys, Wootton Hill, Wootton, Warwickshire registered at Gloucester District Land Registry under title numbers WK283205 and WK380830

## PART II

## Leasehold Property

## Leasehold Properties

## Owner

Principal Retained Hotels Limited

1. The leasehold property known as Old Station Building, Station Road, Keswick, Cumbria demised by a lease dated 21st June, 1996 between Allerdale Borough Council (1) and Principal Hotels (G.B.) Limited (2) for a term of 25 years from and including 1st June, 1996 as the same is registered at Durham District Land Registry under title number CU121564.

Meridien Hotels Limited

2. The leasehold property known as the Queen's Hotel, Leeds demised by a lease dated 7th June, 1984 between British Railways Board (1) and Trust House Forte (UK) Limited (2) for a term of 125 years from 7th June, 1984 as the same is registered at Nottingham (West) District Land Registry under title number WYK316711.

Le Meridien Piccadilly Limited

3. The leasehold property known as Le Meridien Hotel, Piccadilly, London demised by a lease dated 10th October, 1983 between St Martins Property Corporation Limited (1) and Gleneagles Hotels Public Limited Company (2) for a term of 99 years from 10th October, 1983 as the same is registered at HM Land Registry under title number NGL474733.

## RBS Leaseback Properties

1. The leasehold property known as Hotel Metropole, King Street, Leeds and numbers 4 and 6 King Street, Leeds demised by a lease dated 11th July, 2001 between RBS Hotel Investments No.4 Limited (1) Principal Hotels (GB) Limited (2) and Grand Hotels (M) Guaratee Company Limited (3) for a term of 30 years registration pending at Nottingham

District Land Registry the freehold of which are registered at Nottingham District Land Registry under title numbers WYK339476 and WYK343287.

2. The leasehold property known as The Royal York Hotel, York demised by a lease dated 11th July, 2001 between RBS Hotel Investments No.7 Limited (1) Principal Hotels (GB) Limited (2) and Grand Hotels (M) Guarantee Company Limited (3) for a term of 30 years registration pending at York District Land Registry the freehold of which is registered at York District Land Registry under title number NYK25356.
3. The leasehold property known as The Palace Hotel (otherwise known as Refuge Assurance Buildings), Oxford Street, Manchester and the Excalibur House, Whitworth Street, Manchester demised by a lease dated 11th July, 2001 between RBS Hotel Investments No.6 Limited (1) Principal Hotels (GB) Limited (2) and Grand Hotels (M) Guarantee Company Limited (3) for a term of 30 years from registration pending at Lytham District Land Registry the freehold and superior leasehold of which are registered at Lytham District Land Registry under title numbers GM546677, GM470474 and GM747997
4. The leasehold property known as The Russell Hotel, Russell Square, London demised by a lease dated 11th July, 2001 between RBS Hotel Investments No.8 Limited (1) Principal Hotels (GB) Limited (2) and Grand Hotels (M) Guarantee Company Limited (3) for a term of 30 years registration pending at Harrow District Land Registry the freehold of which is registered at The Harrow District Land Registry under title number 166745.
5. The leasehold property known as The Selsdon Park Hotel and Golf Course and land adjoining Addington Road, Sanderstead demised by a lease dated 11th July, 2001 between RBS Hotel Investments No.9 Limited (1) Principal Hotels (GB) Limited (2) and Grand Hotels (M) Guarantee Company Limited (3) for a term of 30 years registration pending at Croydon District Land Registry the freehold of which is registered at Croydon District Land Registry under title numbers SGL217506 and SGL226126.
6. The leasehold property known as The Cumberland Hotel, Marble Arch and The Cumberland Hotel Annexe demised by a lease dated 11th July, 2001 between RBS Hotel Investments No.5 Limited (1) Cumberland Hotel Limited (2) and Grand Hotels (M) Guarantee Company Limited (3) for a term of 30 years registration pending at Harrow District Land Registry the superior leasehold of which are registered at Harrow District

Land Registry under title numbers NGL737793 and LN10102.

7. The leasehold property known as Victoria and Albert Hotel, Water Street, Manchester demised by a lease dated 11th July, 2001 between RBS Hotel Investments No. 3 Limited (1) and Victoria and Albert Hotel Company Limited (2) Grand Hotels (M) Guarantee Company Limited (3) for a term of 30 years registration pending at HM Land Registry the freehold of which is registered at HM Land Registry under title number GM728990.
8. The leasehold property known as the Le Meridien, Heathrow, demised by a lease dated 11th July, 2001 between RBS Hotel Investments No.1 Limited (1) Grand Hotels (M) Heathrow Limited (2) and Grand Hotels (M) Guarantee Company Limited (3) for a term of 30 years registration pending at HM Land Registry the freehold and superior leasehold of which are registered at HM Land Registry under title numbers MX123063. MX467930 and NGL121218;
9. The leasehold property known as Grosvenor House, Park Lane and 35 Park Street and Grosvenor House Garage and Reeves House, 39 and 40 Reeves Mews demised by a lease dated 11th July, 2001 between Grand Hotels (M) Property Company I Limited (1) Grosvenor House (Park Lane) Limited (2) and Grand Hotels (M) Guarantee Company Limited (3) for a term of 30 years from registration pending at HM Land Registry the superior leasehold of which is registered at HM Land Registry under title numbers NGL555179 and NGL727915.
10. The leasehold property known as The Waldorf Hotel and 13, 15, 21, 23, 25, 37, 39 and 41, Aldwych, London demised by a lease dated 11th July, 2001 between Grand Hotels (M) Property II Limited (1) Waldorf Hotel Company Limited (2) and Grand Hotels (M) Guarantee Company Limited (3) for a term of 30 years from registration pending at HM Land Registry the freehold of which is registered at HM Land Registry under title number LN174408.

**SCHEDULE C****Intellectual Property Rights**

Mark: Flexibreaks/Flexibreak  
Registration: 1583980  
Number  
Status: Registered  
Classes: 42  
Filing Date: 30 June 1994  
Proprietor: Principal Hotels (GB) Limited

Mark: Bygone Breakaway/Bygone Breakaways  
Registration: 1577319  
Number  
Status: Registered  
Classes: 42  
Filing Date: 30 June 1994  
Proprietor: Principal Hotels (GB) Limited

Mark: Copper Face Jacks/ Copper Face Jacks (stylised)/Copper Face Jacks (logo)  
Registration: 2151624/2151622/ 630345 (Benelux)  
Number  
Status: Registered  
Classes: 42 (for all marks)  
Filing Date: 21 November 1997 / 21 November 1997 / 16 April 1998  
Proprietor: Principal Hotels Limited

Mark: PH Principal Hotels  
Registration: 1587673/1587674  
Number  
Status: Registered  
Classes: 41 / 42  
Filing Date: 8 October 1994 (for both marks)  
Proprietor: Principal Hotels Limited

Mark: Boston Stake Out  
Registration: 2145945  
Number  
Status: Registered  
Classes: 42  
Filing Date: 23 September 1997  
Proprietor: Principal Hotels Limited





## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 00917838

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE BETWEEN INTER ALIA GRAND HOTELS (M) INTERMEDIATE HOLDING COMPANY I LIMITED, THE COMPANY AND THE OTHER CHARGORS NAMED THEREIN (THE CHARGORS) AND CIBC WORLD MARKETS PLC (THE SECURITY AGENT) AS AGENT AND TRUSTEE FOR ITSELF AND EACH OF THE SECURED CREDITORS DATED THE 11th JULY 2001 AND CREATED BY FORTE INTERNATIONAL LIMITED FOR SECURING ANY AND ALL PRESENT AND FUTURE OBLIGATIONS AND LIABILITIES OF ANY OBLIGOR TO THE SECURED CREDITORS (OR ANY OF THEM) UNDER EACH OR ANY OF THE SENIOR FINANCE DOCUMENTS, THE SENIOR MEZZANINE FINANCE DOCUMENTS AND THE JUNIOR MEZZANINE FINANCE DOCUMENTS (ALL TERMS AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 26th JULY 2001.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 30th JULY 2001.



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES



*Companies House*

— for the record —