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COMPANIES FORM No. 395

329373 / 286

Particulars of a mortgage or charge

395

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

CHFP025

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number

1181

1786119

Name of company

* Ettington Park Group Limited (the "Company")

Date of creation of the charge

1 December 2005

Description of the instrument (if any) creating or evidencing the charge (note 2)

A debenture (the "Debenture") made between (1) the Company and others as chargors (each a "Chargor" and together the "Chargors") and (2) the Security Trustee (as defined below).

Amount secured by the mortgage or charge

Please see Part 1 of the attached continuation sheets, to be read in conjunction with Part 4, which contains applicable definitions.

Names and addresses of the mortgagees or persons entitled to the charge

The Governor and Company of the Bank of Scotland (the "Security Trustee") having its Head Office at The Mound, Edinburgh, EH1 1YZ.

Postcode

Presentor's name address and reference (if any):

Mayer, Brown, Rowe & Maw LLP
11 Pilgrim Street
London
EC4V 6RW

21265/20184/05147921

Time critical reference

For official Use (02/00)
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

Please see Part 2 of the attached continuation sheets, to be read in conjunction with Part 4, which contains applicable definitions.

Please also see Part 3 of the attached continuation sheets, which contains a summary of certain covenants contained in the Debenture.

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)

N/a

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

Signed Mayer Brown, Rowe & Munn LLP

Date 19 December 2005

On behalf of ~~XXXXXXXXXXXXXXXXXX~~ [chargee] †

† delete as appropriate

Notes

- 1 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.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given.
- 3 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.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

Ettington Park Group Limited
Schedule to Form M395

Part 1

Amount secured by the mortgage or charge

The "**Secured Liabilities**", defined in Clause 1.2 (*Definitions*) of the Debenture to mean all moneys from time to time due or owing, and all obligations and other actual or contingent liabilities from time to time incurred, by the Borrower or any other Chargor to any Finance Party under the Finance Documents:

- (a) in whatever currency;
- (b) whether due, owing or incurred alone or jointly with others or as principal, surety or otherwise; and
- (c) including monies and liabilities purchased by or transferred to the relevant Finance Party,

and in relation to each Chargor the "**relevant Secured Liabilities**" means the Secured Liabilities but excluding any money, obligation or liability which would cause the covenant on the part of that Chargor set out in Clause 2.1 (*Covenant to pay*) of the Debenture or the security which would otherwise be granted by that Chargor in the Debenture to be unlawful or prohibited by any applicable law or regulation.

Part 2

Short particulars of all the property mortgaged or charged

1.1 Fixed charges

As security for the payment and discharge of the relevant Secured Liabilities, the Company as a Chargor in Clause 3.1 (*Fixed Charges*) of the Debenture with full title guarantee charges to the Security Trustee by way of first fixed charge (which so far as it relates to land in England and Wales vested in it as at the date of the Debenture will be a charge by way of first legal mortgage):

- (a) **Land:** all of its rights as at the date of the Debenture in the Properties and all of its other rights in any land (excluding any land in Scotland or Jersey) (together the "**Mortgaged Properties**") in each case together with all of its rights in all buildings, structures, erections, fixtures and fittings (including trade fixtures and fittings) from time to time on any of the Mortgaged Properties and any proceeds of disposal of any of the Mortgaged Properties;
- (b) **Chattels:** all of its rights in any plant, machinery, vehicles, equipment and other chattels (but excluding its stock in trade or work in progress);
- (c) **Goodwill:** any goodwill and uncalled capital from time to time and all of its rights to future calls in respect of capital;
- (d) **Bank accounts:** all of its rights in any credit balances on any bank accounts and the indebtedness represented by them;

- (e) **Debts:** all of its rights in its Debts;
- (f) **Shares and other Investments:** all of its rights in its Investments;
- (g) **Intellectual property rights:** all of its rights in its Intellectual Property;
- (h) **Licences:** all licences, consents and other Authorisations held in connection with its business or the use of any Secured Assets and all of its rights in connection with them;
- (i) **Justices Licences:** all of its right to recover and receive any compensation payable at any time on account of the non-renewal of the Justices Licences; and
- (j) **Other documents:** all of its rights in any agreements, reports and other documents from time to time relating to all or any part of the Secured Assets, other than those assigned by Clause 3.2 (*Assignments*) of the Debenture.

1.2 Assignments

As security for the payment and discharge of the relevant Secured Liabilities, the Company as a Chargor in Clause 3.2 (*Assignments*) of the Debenture with full title guarantee assigns absolutely to the Security Trustee:

- (a) **Insurance:** all of its rights in its Insurances, including those relating to the Mortgaged Properties, and in any Insurance Proceeds; and
- (b) **Assigned Documents:** all of its rights under the Assigned Documents.

1.3 Floating charge

As security for the payment and discharge of the relevant Secured Liabilities, the Company as a Chargor in Clause 3.3 (*Floating charge*) of the Debenture with full title guarantee charges to the Security Trustee by way of first floating charge the whole of its undertaking and other assets (other than assets validly and effectively charged or assigned (whether at law or in equity) pursuant to Clauses 3.1 (*Fixed charges*) and 3.2 (*Assignments*) of the Debenture by way of fixed security).

Clause 3.3 (*Floating charge*) of the Debenture states that Schedule B1, Paragraph 14 Insolvency Act 1986 shall apply to the floating charge contained in the Debenture.

Part 3 Covenants

1. In Clause 6.1 (*Negative pledge*) of the Debenture, the Company as a Chargor undertakes that it will not, at any time prior to the Discharge Date, create or permit to subsist any Security Interest over any Secured Asset other than a Permitted Security Interest.

1. In Clause 6.2 (*No disposals*) of the Debenture, the Company as a Chargor undertakes that it will not, at any time prior to the Discharge Date, dispose of (or agree to dispose of) any Secured Asset save for any Permitted Disposals.
2. In Clause 5.3 (*Further assurance*) of the Debenture, the Company as a Chargor covenants that it shall at its own expense promptly execute (in such form as the Security Trustee may reasonably require) any Instruments or other documents and otherwise do any acts and things which the Security Trustee may require (acting reasonably) to improve, preserve, perfect or protect the security created (or intended to be created) by the Debenture or the priority of it or to facilitate the realisation or enforcement of it or to exercise any of the rights of the Security Trustee, any other Finance Party or any Receiver in relation to the same.

Part 4 **Definitions**

"assets" includes the undertakings, property, revenues, rights and other assets (present and future) of any nature of such person.

"Assigned Documents" means the Sale and Purchase Agreement, the Tax Deed and any Hedging Agreements (as those terms are defined in the Facility Agreement).

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Borrower" means Hand Picked Hotels Limited, a company incorporated in England and Wales (registered number 3760451).

"Debts" means any book or other debt, revenue or claim (and the proceeds of any debt, revenue or claim) and the benefit of any Security Interest, guarantee or other right of any nature in relation to any of them and in relation to a Chargor, **"its Debts"** means all Debts in which it has any rights.

"Discharge Date" is the date on which:

- (a) all of the Secured Liabilities have been unconditionally and irrevocably paid or discharged in full to the satisfaction of the Security Trustee; and
- (b) the Security Trustee is satisfied that all of the Finance Parties have ceased to have any commitment, obligation or other liability (whether actual or contingent) to make any credit or provide any other accommodation to any Chargor under any Transaction Document (as that term is defined in the Facility Agreement) or otherwise or to any other person in respect of whose liabilities any Chargor has undertaken a liability to the Security Trustee or any other Finance Party under any Transaction Document (as that term is defined in the Facility Agreement) .

"Facility Agreement" means the term facility agreement dated 1 December 1999 and made, as amended and restated by amendment and restatement agreements entered into on 16 December 2002 and 1 December 2005 respectively, between (1) the Borrower as borrower

(2) the Banks (as defined in the Facility Agreement) and (3) The Governor and Company of the Bank of Scotland in various capacities including as Security Trustee.

"Finance Documents" has the meaning given to it in the Facility Agreement and includes the Facility Agreement and the Debenture.

"Finance Party" has the meaning given to it in the Facility Agreement and includes the Banks (as that term is defined in the Facility Agreement) and the Security Trustee.

"Instrument" means any document (which term includes any form of writing) under which any obligation is evidenced or undertaken or any Security Interest (or right in any Security Interest) is granted or perfected or purported to be granted or perfected.

"Insurances" has the meaning given to that term in the Facility Agreement.

"Insurance Proceeds" means any monies which may from time to time be payable to or received by any Chargor (whether as an insured party, beneficiary or as loss payee) under any Insurance and the proceeds of all claims made by any Chargor under any Insurance.

"Intellectual Property" means all intellectual property, including patents, utility models, trade and service marks, trade names, domain names, right in designs, copyrights, moral rights, topography rights, rights in databases, trade secrets and know-how, in all cases whether or not registered or registrable and including registrations and applications for registration of any of these and rights to apply for the same and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of these anywhere in the world and in relation to a Chargor, **"its Intellectual Property"** means all Intellectual Property in which it has any rights.

"Investment" means any share, stock, debenture, bond or other security or investment (in each case together with any associated dividend, interests and other assets) and in relation to a Chargor, **"its Investments"** means all Investments (including where applicable, those listed in Schedule 3 (*Specified Investments*)) of the Debenture in which it has any rights and all its rights against any trustee, fiduciary, custodian or clearing system with respect to any Investments.

"Justices Licences" means all justices excise and other licences or registration certificates (including, without limitation, licences issued pursuant to the Licensing (Scotland) Act 1976 as amended) held from time to time in connection with the business carried on at each of the Hotels (as that term is defined in the Facility Agreement) whether by the Borrower, any other Obligor (as that term is defined in the Facility Agreement) or any of their respective nominees.

"Mortgaged Properties" has the meaning given to it in Part 2, Paragraph 1.1(a) of this Schedule, **"Mortgaged Property"** means any of them and any reference to one or more of the Mortgaged Properties includes all or any part of it or each of them.

"Permitted Disposal" means a disposal of any part of the Secured Assets as permitted by Clause 13.2(a) (*Disposals and changes in the scope of business*) of the Facility Agreement.

"Permitted Security Interest" has the meaning given to that term in the Facility Agreement.

"Properties" means the properties brief details of which are set out in Schedule 2 (*Properties*) to the Debenture, (copy attached).

"Receiver" means any receiver, receiver and manager or administrative receiver appointed by the Security Trustee over all or any of the Secured Assets under the Debenture whether solely, jointly, severally or jointly and severally with any other person and includes any substitute for any of them appointed from time to time.

"right" includes any estate, interest, claim, remedy, power, authority, discretion or other right of any kind, both present and future.

"Secured Assets" means the Mortgaged Properties, the Assigned Documents, each Chargor's Investments, the Justices Licences and the other assets from time to time the subject of the Security Interests constituted by or pursuant to the Debenture, **"Secured Asset"** means any of them and any reference to one or more of the Secured Assets includes all or any part of it or each of them.

"Secured Liabilities" has the meaning given to it in Part 1 of this Schedule.

"Security Interest" means any mortgage, charge (fixed or floating), pledge, lien, assignment, assignation, hypothecation or other security interest or any other type of preferential right or arrangement (including set-off, title transfer, title retention and trust arrangements), which confer security or the economic or commercial effect of which is similar to conferring security.

SCHEDULE 2 PROPERTIES

Part 1 Registered land

(Freehold (including commonhold) or leasehold property (if any) in England and Wales of which any Chargor is registered as the proprietor at Land Registry)

County and District/ London Borough	Description of Property	Title Number
1. Kent	Brandshatch Place Hotel Fawkham Green	K474662 K511054 K546305 K512339 K517538 K222539
2. Kent	Chilston Park Maidstone	K583220 K583219
3. Warwickshire	Ettington Park Stratford-upon-Avon	WK300793 (Leasehold)
4. Cheshire	Mollington Banastre Hotel Chester	CH119883 CH442126
5. Surrey	Nutfield Priory Redhill	SY604121 SY625671 SY628455 SY630366 SY605203
6. Leicestershire	The Priest House Castle Donnington	LT207464 LT116469 LT167627 LT262130
7. Cheshire	Rookery Hall Nantwich	CH234233 CH306098
8. West Yorkshire	Wood Hall Wetherby	NYK166912 WYK142788
9. Surrey	Woodland Park Cobham	SY656361 SY427292 SY502313 SY572935 SY659393
10. East Sussex	Buxted Park Hotel Uckfield	ESX138916

County and District/ London Borough	Description of Property	Title Number
11. Cleveland	Crathorne Hall Hotel Yarm	NYK177696
12. New Forest	Rhinefield House Hotel Rhinefield Road Brockenhurst	HP226503
13. Caernarvon	Seiont Manor Hotel Lanrug	WA922474 WA922475 WA922476 WA922477

**Part of 2
Unregistered land**

(Freehold or leasehold property (if any) in England and Wales title to which is not registered at Land Registry of which any Chargor is the owner)

The freehold/leasehold property known as and comprised in the following title deed(s) or other document(s) of title:

Description	Date	Document	Parties
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FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 01786119

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 1st DECEMBER 2005 AND CREATED BY ETTINGTON PARK GROUP LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY OR ANY OTHER CHARGOR TO ANY FINANCE PARTY ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 19th DECEMBER 2005.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 22nd DECEMBER 2005.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —