

**Declaration of satisfaction
in full or in part
of mortgage or charge**Please do not
write in
this margin

Pursuant to section 403(1) of the Companies Act 1985

*Please complete
legibly, preferably
in black type, or
bold block lettering*To the Registrar of Companies
(Address overleaf)

For official use Company number



02999276

Name of company

* ESB Hotels Limited

* Insert full name
of company

I, Heather Allsop

of Queens Court, 9-17 Eastern Road, Romford, Essex, RM1 3NG

† Delete as
appropriate[a director] ~~[the secretary]~~ ~~[the administrator]~~ ~~[the administrative receiver]~~† of the above company,

do solemnly and sincerely declare that the debt for which the charge described below was given

has been paid or satisfied in [full][part]†

‡ Insert a
description of the
instrument(s)
creating or
evidencing the
charge, eg
'Mortgage',
'Charge',
'Debenture' etc.

Date and Description of charge‡ Composite Guarantee and Debenture dated 24 November 2004

Date of Registration § 14 December 2004

Name and address of [chargee] [trustee for the debenture holders] Goldman Sachs Credit Partners LP
c/o Goldman Sachs International, 133 Fleet Street, Peterborough Court, London EC4A 2BB§ The date of
registration may
be confirmed
from the
certificate

Short particulars of property charged¶ Please see attached continuation sheet

¶ Insert brief
details of
propertyAnd I make this solemn declaration conscientiously believing the same to be true and by virtue of
the provisions of the Statutory Declarations Act 1835.Declared at 65 Fleet St
London EC4

Declarant to sign below

Day Month Year
on 01 03 2005

before me

A Commissioner for Oaths or Notary Public or Justice of
the Peace or Solicitor having the powers conferred on a
Commissioner for OathsPresentor's name, address and
reference (if any):
FRESHFIELDS BRUCKHAUS
DERINGER
65 FLEET STREET, LONDON
ENGLAND EC4Y 1HS
DX 23 LONDON/CHANCERY LANE

103782/0005 N DOBSON

For official use 10/03
Mortgage section

Post room

0456
07/03/05

Com 403a-1/2

CONTINUATION SHEET NUMBER 1

Short particulars of all the property mortgaged or charged

1. MORTGAGES, FIXED CHARGES AND FLOATING CHARGES

1.1 The Chargor has charged, with full title guarantee, in favour of Goldman Sachs Credit Partners, LP (the "**Security Trustee**") (as agent and trustee for the Secured Creditors), as continuing security for the payment of the Secured Obligations:

- (a) by way of legal mortgage all estates or interests in the freehold, leasehold and other immovable property owned by the Chargor and described in the third schedule to the Guarantee and Debenture and the proceeds of sale thereof and all buildings and trade and other fixtures on any such property belonging to or charged to the Chargor from time to time (the "**Legally Mortgaged Property**");
- (b) by way of fixed charge all estates or interests in any freehold, leasehold and other immovable property on the date of the Guarantee and Debenture or thereafter, at any time during the continuance of this security belonging to the Chargor which is not effectively legally mortgaged under (a) above (other than the Excluded Properties and the proceeds of sale thereof and all buildings and trade and other fixtures from time to time on any such property belonging to or charged to the Chargor but excluding the Scottish Property);
- (c) by way of fixed charge all stocks, shares, debentures, bonds, notes and loan capital of:
 - (i) any subsidiary; and
 - (ii) any other body corporate,

and all rights to subscribe for, redeem, convert other securities into or otherwise acquire any of the same which may on the date of the Guarantee and Debenture and at any time thereafter belong to the Chargor, together with all dividends, interest and other income and all other rights of whatsoever kind deriving from or incidental to any of the foregoing;

- (d) by way of fixed charge the goodwill of the Chargor and its uncalled capital on the date of the Guarantee and Debenture and at any time thereafter in existence; and
- (e) by way of fixed charge all copyrights, patents, patent applications, licences, trade marks (save any asset consisting of intellectual property in or connected with the Bilderberg brand name, including, but not limited to, trademarks, trade names or other marks or designs, whether registered or not, connected therewith), trade names, know-how and inventions or other rights of every kind deriving on the date of the Guarantee and Debenture or at any time thereafter therefrom belonging to the Chargor and all fees, royalties and other

rights of every kind deriving from such copyrights, patents, trade marks, trade names, know-how and inventions.

- (f) by way of floating charge: (a) the whole of the Chargor's undertaking and all its property, assets and rights, whatsoever and wheresoever, present and future, other than any property or assets from time to time or for the time being effectively mortgaged, assigned or charged to the Security Trustee by way of fixed charge by paragraph 1.1 above; and (b) whether or not so mortgaged, assigned or charged the whole of the Chargor's undertaking and all its property, assets and rights, whatsoever and wheresoever present and future located in or otherwise governed by the laws of Scotland (collectively the "**Floating Charge Property**").

1.2 Notwithstanding anything to the contrary in the Guarantee and Debenture: (i) no security shall be created over the Excluded Properties; (ii) no mortgage, fixed charge or floating charge granted under the Guarantee and Debenture shall rank in priority to or pari passu with any security for any obligations under the Debenture Trust Deed if such priority or pari passu ranking would conflict with or breach the terms of the Debenture Trust Deed; (iii) the security created or purported to be created by the Guarantee and Debenture shall, in every respect:

- (a) be fully subordinated to; and
(b) rank in order of priority after,

the rights of The Law Debenture Trust Corporation p.l.c. acting in its capacity as security trustee under a debenture dated 18 June 2004 between, among others, the Chargor and The Law Debenture Trust Corporation p.l.c. (as security trustee) securing Queens Moat Houses Limited's obligations under the Fund Deed Poll; (iv) no security shall be created in respect of the assets subject to the security created by the agreements listed in the sixth schedule of the Guarantee and Debenture, save to the extent such security would breach the terms of the agreements listed in the sixth schedule of the Guarantee and Debenture.

2. NEGATIVE PLEDGE

2.1 The Chargor has covenanted that it shall not without the prior written consent of the Security Trustee agree or purport to:

- (a) create or permit to subsist any Encumbrance whether in any such case ranking in priority to or pari passu with or after the security created by the Guarantee and Debenture save to the extent permitted or required under the Mezzanine Loan Agreement; or
(b) sell, discount, factor, transfer, lease, lend or otherwise dispose of, whether by means of one or a number of transactions related or not and whether at one time or over a period of time, the whole or any part of its undertaking or assets except:
(i) as permitted under the Mezzanine Loan Agreement; or

- (ii) Floating Charge Property in the ordinary course of trade by the Chargor and on arm's length terms.

3. FURTHER ASSURANCE

3.1 The Chargor has applied to the Chief Land Registrar for the registration against the registered titles specified in the third schedule to the Guarantee and Debenture, including those unregistered titles which will be required to become registered (if any) (and shall so apply in respect of any property it acquires after the date of the Guarantee and Debenture which is or is required to be registered) of a restriction in the following terms:

- (a) a restriction in the following terms:

"No disposition, transfer, dealing, charge or grant of other security interest of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated 24 November 2004 in favour of Goldman Sachs Credit Partners, L.P. (as agent and trustee) referred to in the charges register";

- (b) a notice that under the provisions of the Guarantee and Debenture the Secured Creditors are under an obligation to make further advances.

3.2 The Chargor shall, at the request of the Security Trustee and at its own expense, do all acts and things and execute in favour of the Security Trustee, or as it may reasonably direct, such further or other legal assignments, assignments, standard securities, transfers, mortgages, charges, securities and other deeds and documents as the Security Trustee may reasonably require, in order to:

- (a) perfect, protect or improve the security intended to be conferred on the Security Trustee by or pursuant to the Guarantee and Debenture; or
- (b) facilitate the realisation of all or any of the Charged Property and exercise all of the rights and powers conferred on the Security Trustee, any receiver, any administrator or any delegate thereof for the purpose of such realisation or in connection with such realisation.

The obligations of the Chargor under the further assurance provisions of the Guarantee and Debenture shall be in addition to and not in substitution for the covenants for further assurance deemed to be included in the Guarantee and Debenture by virtue of the Law of Property (Miscellaneous Provisions) Act 1994.

4. TACKING

4.1 For the purposes of section 94(1) of the Law of Property Act 1925 and Section 49 of the Land Registration Act 2002, the Secured Creditors are obliged to make further advances to the Borrower on the terms and subject to the conditions of the Mezzanine Loan Documents or of any other agreement, whether made before or after the date of the Guarantee and Debenture, for the provision of credit by the Secured Creditors to the Borrower.

4.2 Under the Guarantee and Debenture the Chargors have applied to the Chief Land Registrar to enter a note of the obligation to make further advances on the charges register for the registration against the registered titles specified in schedule 3 to the Guarantee and Debenture.

FORM 403A CONTINUATION SHEET 2

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined.

"Administrative Agent" means Goldman Sachs Credit Partners, L.P., a Bermuda limited partnership, in its capacity as the administrative agent under the Mezzanine Loan Agreement.

"Borrower" means (i) prior to the permitted Dutch Restructuring, the Initial Borrower and (ii) from and after the Permitted Dutch Restructuring, (a) the Initial Borrower with respect to the interest reserve loans and (b) each of the Initial Borrower and the Dutch Borrower with respect to the term loans and any other amounts payable under the Mezzanine Loan Documents. References to "Borrower" when used in relation to factual matters with respect to the assets, liabilities, conditions or other attributes of a particular entity (other than liabilities and obligations to Lenders under the Mezzanine Loan Documents) shall be deemed to apply separately to the respective assets, liabilities, conditions and other attributes of Initial Borrower and Dutch Borrower.

"Collateral Accounts Security Agreements" means agreements substantially in the form set out in exhibit K to the Mezzanine Loan Agreement, pursuant to which the Security Trustee (for itself and for the Lenders) is granted fixed and floating charges over certain bank accounts of Queens Moat Houses Limited as security for the indebtedness under the Mezzanine Loan Documents.

"Debenture Trust Deed" means the trust deed dated 12 December 1983 between, among others, Queens Moat Houses Limited and the trustee named therein as amended and supplemented prior to the date of the Guarantee and Debenture.

"Dutch Borrower" means, from and after the Permitted Dutch Restructuring, Queens Bildenberg Netherlands B.V. or other Dutch holding company.

"Encumbrance" means any mortgage, charge, assignation, standard security, assignment for the purpose of security, pledge, lien, right of set-off, arrangements for retention of title, or hypothecation or trust arrangement for the purpose of, or which has the effect of, granting security or other security interest of any kind whatsoever or any agreement, whether expressed to be conditional or otherwise, to create any of the same but excluding all security interests under the Guarantee and Debenture or any agreement to sell or otherwise dispose of any asset on terms whereby such asset is or may be leased to or re-acquired or acquired by the Chargor.

"Excluded Properties" means the leasehold properties listed in the fifth schedule of the Guarantee and Debenture.

"Existing Junior Term Debt" means all indebtedness of the Borrower and/or any of its subsidiaries outstanding under the Existing Junior Term Debt Facility Agreement.

“Existing Junior Term Debt Facility Agreement” means the term facility agreement, dated as of March 24, 1995, as amended and restated from time to time prior to the date of the Mezzanine Loan Agreement and entered into by, among others, the Borrower, certain subsidiaries of the Borrower and Barclays Bank PLC (as facility agent and security trustee).

“Existing Senior Debt” means all indebtedness of the Borrower and/or any of its subsidiaries outstanding on the closing date of the Mezzanine Loan Agreement that is described in exhibit D of the Mezzanine Loan Agreement.

“Floating Charge Property” has the meaning ascribed to it in paragraph 1.1(f) of Continuation Sheet 1.

“Fund Deed Poll” means the fund deed poll dated 18 June 2004 and entered into by, among others, Queens Moat Houses Limited and the Law Debenture Trust Corporation p.l.c.

“Guarantors” means Whitehall Street Global Real Estate Limited Partnership 2001, Whitehall Global Parallel Real Estate Limited Partnership 2001, Whitehall Street International Real Estate Limited Partnership 2001 and ELQ Investors Ltd, and Guarantor means any of the Guarantors.

“Initial Borrower” means Queens Moat Houses Limited 6937, a private limited company established under the laws of England and Wales with registered number 416937.

“Interim Security Agreements” means mortgages and other security agreements in form and substance reasonably satisfactory to the Administrative Agent, pursuant to which certain collateral securing the Existing Junior Term Debt is pledged as security for the indebtedness under the Mezzanine Loan Documents.

“Junior Collateral Agreement” means the agreements under which the Borrower and its subsidiaries grant, from and after the date of a Permitted Senior Debt Refinancing, security interests to the Security Trustee for the benefit of the Lenders as provided under the Mezzanine Loan Agreement.

“Legally Mortgaged Property” has the meaning ascribed to it in paragraph 1.1(a) of Continuation Sheet 1.

“Lenders” means GS European Strategic Investment Group BV and such other lenders that from time to time become parties to the Mezzanine Loan Agreement in accordance with the terms and conditions set out therein.

“Mezzanine Assignment of Interest Rate Cap Agreement” means the agreement between the Queens Moat Houses Limited as assignor and the Security Trustee dated November 24, 2004.

“Mezzanine Collection Account Agreement” means an agreement substantially in the form set out in exhibit K of the Mezzanine Loan Agreement.

"Mezzanine Loan Agreement" means the loan agreement dated November 24, 2004 between, among others, the Initial Borrower, the Security Trustee and the financial institutions named therein as lenders.

"Mezzanine Loan Documents" means the Mezzanine Loan Agreement, the Notes, the Mezzanine Security Agreements, the Mezzanine Collection Account Agreement, all other agreements and undertakings delivered by or on behalf of Borrower or an affiliate thereof to evidence, reflect or secure the loan made available under the Mezzanine Loan Agreement or otherwise in satisfaction of the requirements or conditions of the Mezzanine Loan Agreement, as all of the aforesaid may be amended or modified from time to time.

"Mezzanine Security Agreements" means (i) the Mezzanine Assignment of Interest Rate Cap Agreement, (ii) the Shareholders Security Agreement, (iii) the Collateral Accounts Security Agreement, (iv) the Westmont Subordination Agreement, (v) prior to the Permitted Senior Debt Refinancing, the Interim Security Agreements, (vi) after the Permitted Senior Debt Refinancing, the Junior Collateral Agreements, and (vii) the agreements in respect of the pledges described in the Mezzanine Loan Agreement.

"Notes" means, collectively, the notes made by the Borrower to the order of the Lenders in respect of the loans advanced or to be advanced under the Mezzanine Loan Agreement, as such notes may be modified, amended, supplemented or extended (except that "any Note" or words of similar import means any of such notes).

"Obligors" means a Borrower, the Guarantors and each subsidiary of the Initial Borrower that has guaranteed the obligations owed to the Secured Creditors under any of the Mezzanine Loan Documents.

"Permitted Dutch Restructuring" means a corporate restructuring of Borrower with the result that the Dutch assets of the Queens Moat Houses business are grouped under a Dutch holding company owned by the same equityholders, and in the same proportions, as the equityholders of Borrower; provided, that the Mezzanine Loan Documents are modified in connection therewith to the reasonable satisfaction of the Administrative Agent so that, after such restructuring, the Lenders enjoy protections and rights substantially equivalent to those enjoyed by the Lenders under the Mezzanine Loan Documents prior to such restructuring.

"Permitted Senior Debt Refinancings" means a refinancing of the Existing Senior Debt in accordance with the terms and conditions of the Mezzanine Loan Agreement.

"Scottish Property" means any heritable or leasehold property located in Scotland belonging to the Chargor.

"Secured Creditor" means all and each of the Security Trustee (for itself and on behalf of the Lenders), the Administrative Agent, the Lenders and any receiver appointed under or in connection with the Mezzanine Loan Documents.

“Shareholder Security Agreement” means the charge over shares of Queens Moat Houses Limited, dated November 24, 2004, among the shareholders of Queens Moat Houses Limited and the Security Trustee, pursuant to which all equity interests in Queens Moat Houses Limited have been charged as security to the Security Trustee (for itself and for the Lenders) for payment of the indebtedness under the Mezzanine Loan Documents.

“Westmont” means Westmont Services BV, or its designated affiliate.

“Westmont Subordination Agreement” means an agreement in the form reasonably satisfactory to the Administrative Agent and to be entered into between, among others, Westmont and the Administrative Agent.