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in black type, or
bold block lettering

*insert full name
of Company

COMPANIES FORM No. 395**Particulars of a mortgage or charge**

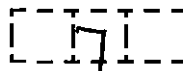
A fee of £10 is payable to Companies House in respect
of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number



3657769

Name of company

* Grand Hotel Group Limited

Date of creation of the charge

16th November 2000

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

Charge Over Shares between the Company (1) and Arab Bank plc (as
Security Agent) (2)

Amount secured by the mortgage or charge

All monies which at the date of the Charge Over Shares or at any time
thereafter might be or become due or owing by the Company to either of
the Agents or any of the Lenders under or pursuant to any of the
Security Documents and any other liabilities, whether actual or
contingent, then existing or thereafter incurred by the Company to
either of the Agents or any of the Lenders under or pursuant to any of
the Security Documents (whether in either case due, owing or incurred by
the Company alone or jointly with any other person(s) and in whatever
name, firm or style and whether as principal or surety).

Cont'd
(see Continuation Sheet Nos.1 & 2)

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

Arab Bank plc
15 Moorgate
London

Postcode EC2R 6LP

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

Field Fisher Waterhouse
35 Vine Street
London
EC3N 2AA

AGE/MAF/sc.006.1fd

Time critical reference

For official Use
Mortgage Section

Post room



By way of Charge all the Company's present and future right, title and interest in the Charged Assets specified in the Schedule.

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

Cont'd
(see Continuation Sheet Nos. 3 & 4)

Particulars as to commission allowance or discount (note 3)

Nil

Signed

Neil Rish Walehouse

Date 28 November 2000

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

- 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 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

In this Form 395 the following terms will have the following meanings:-

"Charged Assets" means the Shares and Security Assets and any part thereof and includes any proceeds of sale or other realisation thereof or any part thereof, as defined below.

"Encumbrance" means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, or other interest or arrangement of any kind conferring or having a commercial effect analogous to conferring security.

"GHBL Charge" means the legal charge and debenture to be executed by Grand Hotel (Burstin) Limited;

"Security Agent" means Arab Bank plc, in its capacity as security agent and trustee for the Secured Parties and includes any successor security agent appointed hereunder;

"Security Assets" means all stocks, shares, warrants, rights, dividends, interest, securities or other property whether of a capital or income nature accruing, offered, issued or deriving at any time by way of redemption, bonus, preference, option, consolidation, sub-division, dividend, interest, conversion, exchange, purchase or otherwise in respect of or otherwise attributable to the Shares;

"Security Documents" means a Loan Agreement (the "Loan Agreement") dated 16th November 2000 between the Company (1) the Lenders (therein specified) (2) Arab Bank plc (as Administrative Agent) (3) Arab Bank plc (as Security Agent (4) and Arab Bank plc (as Trustee) (5), the Company's Charge, the Key-man Charge, the GHBL Charge, the Share Charge, the Inter-Creditor Agreement (as defined in the above mentioned Loan Agreement), and any further agreement or document entered into under or pursuant to the terms of any Security Document or otherwise entered into or given at any time as security for the Secured Obligations;

"Security Period" means the period commencing on 16 November 2000 and ending on the date upon which the Security Agent is satisfied all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full;

Companies Form 395
Amount secured by the Mortgage or Charge
Grand Hotel Group Limited

Continuation Sheet No. 2
Company No: 3657769

"Shares" means all the shares specified in the Schedule or for which the stock or share certificates or documents of title are as at the date of the Charge over Shares held by the Arab Bank plc or its agents or nominees for the account of the Chargor (whether held in the United Kingdom or otherwise); and

"Share Charge" means the first legal charge over the Shares executed by the Borrower.

The Company covenants with the Security Agent that at all times during the Security Period the Company will not (without the prior written consent of the Security Agent):

- (i) permit any other person other than the Company, the Security Agent or its nominees to be registered as holder of the Charged Assets or any part thereof; or
- (ii) create or purport to create or permit to subsist any Encumbrance (other than in favour of the Security Agent) on or over the Charged Assets or any part thereof or interest therein or attempt to do so.

The Schedule

Shares

Registered Holder	Number of shares or amount of stock	Description of stocks shares, or other securities
The Company	11,000,002	Full paid £1 ordinary shares of Grand Hotel (Burstin) Limited



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03657769

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A CHARGE OVER SHARES BETWEEN THE COMPANY AND ARAB BANK PLC (AS SECURITY AGENT) DATED THE 16th NOVEMBER 2000 AND CREATED BY GRAND HOTEL GROUP LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO EITHER OF THE AGENTS OR ANY OF THE LENDERS UNDER OR PURSUANT TO ANY OF THE SECURITY DOCUMENTS (AS DEFINED) AND ALL OTHER LIABILITIES DUE UNDER THE SECURITY DOCUMENTS WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 4th DECEMBER 2000.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 6th DECEMBER 2000.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



C O M P A N I E S H O U S E

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