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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

CHFP025

Please do not
write in
this margin

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

*insert full name
of Company

A fee of £13 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)

FEE PAID
EDINBURGH

For official use

Company number



04346502

Name of company

* Thistle Edinburgh Limited (renamed or about to be renamed Topland Hotels (Edinburgh) Limited (the "Company"))

Date of creation of the charge

4th May 2005 See COVER LETTER

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

Assignment of Rents (the "Assignment of Rents")

Amount secured by the mortgage or charge

The payment and discharge of all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Companies and Topland Group Holdings Limited (a company incorporated in the British Virgin Islands) (the "Parent") to any Finance Party under each Finance Document to which they are a party except for any obligation which, if it were so included, would result in contravention of Section 151 of the Companies Act 1985.

Words and expressions not defined in this Form 395 are defined in the Schedule annexed hereto.

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

The Governor and Company of the Bank of Scotland, The Mound, Edinburgh as security trustee for the Finance Parties (in that capacity, the "Security Trustee")

Postcode EH1 1YZ

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

Tods Murray LLP
Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9AG

JAF.KRM.B05388.1025

Time critical reference

For official Use (02/00)
Mortgage Section

Post room



SGT SD1QH5DV 1782
COMPANIES HOUSE 18/05/05

Short particulars of all the property mortgaged or charged

The Company's whole right, title and interest in and to the rent and all other monies due and to become due to the Company in terms of the lease of the Thistle Hotel, St James Centre, Edinburgh, among the Company, Thistle Edinburgh Tenant Ltd and Thistle Hotels Limited dated 28 April 2005 as the said lease may be amended, supplemented or varied in any way from time to time (the "Lease"), such rent and other monies to include arrears of rent (if any) existing as at the date of the Assignment of Rents, such increase of rent as may become payable following a review of rent, any Value Added Tax which is or may become payable under the Lease in respect of rent and all interest as may be payable from time to time on such rent under the Lease.

+ 95

Please do not write in this margin

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

Particulars as to commission allowance or discount (note 3)

N/A

Signed Joyce Ferrie for Todd Murray Ltd Date 16th May 2005

On behalf of ~~XXXXXXXX~~ [mortgagee/chargee] †

A fee 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 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

This is the Schedule referred to in the foregoing Form 395 for the registration of the Assignment of Rents by Thistle Edinburgh Limited (renamed or about to be renamed Topland Hotels (Edinburgh) Limited) in favour of The Governor and Company of the Bank of Scotland as Security Trustee for the Finance Parties.

"Agent"

The Governor and Company of the Bank of Scotland as agent for the Finance Parties;

"Borrower"

means an Original Borrower and/or any New Borrower (as defined in each Novation Agreement);

"Commitment"

means:

- (a) in relation to a Lender which is a Lender on the date of the Credit Agreement, the amount in Sterling set opposite its name in Schedule 1 of the Credit Agreement and the amount of any other Lender's Commitment acquired by it under Clause 26 (Changes to the Parties) of the Credit Agreement; and
- (b) in relation to a Lender which becomes a Lender after the date of the Credit Agreement, the amount of any other Lender's Commitment acquired by it under Clause 26 (Changes to the Parties) of the Credit Agreement;

in each case to the extent not cancelled, transferred or reduced in the Credit Agreement;

"Companies"

means:-

- (a) Topland Riversmeet Limited (04118793);
- (b) Topland Valley Limited (04491178);
- (c) Topland Medway Limited (04118788);
- (d) Topland Summit Limited (04491145);
- (e) Topland Tor Limited (04491170); and
- (f) Topland Delta Limited (04491125)

together with each of their respective Subsidiaries from time to time, the Subsidiaries at the date of the Credit Agreement being

- (i) the Company;
- (ii) Thistle Barbican Limited (04402661);
- (iii) Thistle Bloomsbury Park Limited (00623242);

- (iv) Thistle Hyde Park Limited (04346412);
- (v) Thistle Euston Limited (04402687); and
- (vi) Thistle Piccadilly Limited (04346523)
(each being a "**Company**");

"Credit Agreement"

means the credit agreement dated 28 April 2005 between *inter alia* (1) the Parent, (2) the Company, and (3) the Security Trustee, as amended, supplemented, varied, restated or novated in any way from time to time;

"Dormant Companies"

means at the date of the Credit Agreement, together, the Thistle Dormant Companies and, following the Hive-Up, each Group Company that was a Borrower prior to the Hive-Up, each a "**Dormant Company**";

"Existing Lender"

a Lender assigning, transferring or novating all or any of its Commitment pursuant to clause 26 of the Credit Agreement;

"Fees Letter"

means the letter of even date with the date of the Credit Agreement from the Agent to the Borrowers, and accepted by the Borrowers, detailing certain fees payable by the Borrowers under the Credit Agreement;

"Finance Document"

means:-

- (a) the Credit Agreement;
- (b) the Fees Letter;
- (c) each Security Document;
- (d) any Hedging Arrangement entered into with a Lender or the Original Hedging Counterparty;
- (e) the Treasury Guarantee;
- (f) the Novation Agreement;
- (g) the Subordination Deed; and
- (h) any Novation Certificate

and any other document agreed as such by the Agent and any Borrower from time to time including all amendments and supplements including supplements to such documents providing for further advances;

"Finance Parties"	means each Lender, the Agent, the Security Trustee, the Hedging Counterparties and the Hedging Guarantor Bank and any of them;
"Group"	means each TTIC and each of their Subsidiaries (ultimate or direct) from time to time, and "Group Company" shall be construed accordingly;
"Hedging Arrangement"	means the interest rate management agreements entered into by each Borrower in accordance with the Hedging Strategy in relation to interest payable by the same under the Loan pursuant to the Credit Agreement;
"Hedging Counterparties"	means each and any counterparty to a Hedging Arrangement;
"Hedging Guarantor Bank"	means The Governor and Company of the Bank of Scotland as guarantor bank for the Original Hedging Counterparty;
"Hedging Strategy"	means the Agreed Hedging Strategy as defined in Clause 9.3.2 of the Credit Agreement;
"Hive Up Agreement"	means the agreement for the transfer of the Properties and certain liabilities of each Target Group Company to its parent TTIC, in the agreed form;
"Hive Up"	means the transfer of all of the Properties and certain liabilities pursuant to, and on the terms of, the Hive Up Agreement;
"Lender"	means the Original Lender and/or any New Lender acquiring all or any of the Original Lender's Commitment under Clause 26 (Changes to Parties) of the Credit Agreement;
"Loan"	means, together, all advances made by the Lenders to the Borrowers pursuant to the Credit Agreement or, as the context requires, the principal amount outstanding of the same from time to time;
"New Lender"	means a party to whom a Lender may assign, transfer or novate all or any of its Commitment and / or any of its rights and/or obligations under the Finance Documents to another bank or financial institution which is a Qualifying Lender;
"Novation Agreement"	means the agreement to be made by each TTIC, each Target Group Company and the Finance

- Parties and dated the date of the Hive Up in the agreed form;
- “Novation Certificate”** means a completed certificate delivered to the Agent by an Existing Lender and a New Lender to effect a novation pursuant to clause 26.3 of the Credit Agreement;
- “Original Hedging Counterparty”** means HBOS Treasury Services PLC (registered number 2692890) having its registered office at Bishopgate Exchange, PO Box 778, 159 Bishopgate, London, EC2M 3UB;
- “Original Lender”** means The Governor and Company of the Bank of Scotland;
- “Parent”** means Topland Group Holdings Limited (British Virgin Islands Company number 188672);
- “Properties”** means the properties listed in Schedule 7 of the Credit Agreement;
- “Qualifying Lender”** means a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document and is:
- (a) a Lender:
 - i. which is a bank (as defined for the purpose of section 349 of the Taxes Act) making an advance under a Finance Document; or
 - ii. in respect of an advance made under a Finance Document by a person that was a bank (as defined for the purpose of section 349 of the Taxes Act) at the time that that advance was made,

and which is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance; or
 - (b) a Lender which is a UK Non-Bank Lender meaning:
 - i. a company resident in the United Kingdom for United Kingdom tax purposes;
 - ii. a partnership each member of which is a company resident in the United Kingdom for United

Kingdom tax purposes; or

- iii. a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a branch or agency and which brings into account interest payable in respect of that advance in computing its chargeable profits (within the meaning given by section 11(2) of the Taxes Act); or

(c) a Treaty Lender;

“Scottish Security”

means the Standard Security and the Assignment of Rents;

“Security Agreements”

means the security agreements of even date to the Credit Agreement entered into by each TTIC and each Borrower in favour of the Security Trustee in form and substance acceptable to the Security Trustee;

“Security Document”

means the Scottish Security, the Security Agreements, the composite cross guarantee contained within the Credit Agreement, the Share Charges, any legal mortgage, the Subordination Deed and any other security interest granted from time to time in favour of the Security Trustee by any party in respect of the obligations of the Group to the Finance Parties under the Credit Agreement;

“Share Charges”

means the charges over shares granted on the date of Credit Agreement or to be granted pursuant to the Credit Agreement by the Parent or a Borrower in favour of the Security Trustee and **“Share Charge”** shall be construed accordingly;

“Subordination Deed”

means the deed dated the date of the Credit Agreement between the Security Trustee and the providers of the Purchase Loans (as defined in the Credit Agreement) and each Group Member that is not at that date a Dormant Company, in the agreed form;

“Standard Security”

means the standard security by the Company in favour of the Security Trustee dated 28 April 2005;

“Target Group”

means, together:

- (a) Thistle Edinburgh Limited (company number 04346502) (“HC 1”);

- (b) Thistle Piccadilly Limited (company number 04346523) ("HC 2");
- (c) Thistle Bloomsbury Park Limited (company number 00623242) ("HC 3");
- (d) Thistle Euston Limited (company number 04402687) ("HC 4");
- (e) Thistle Hyde Park Limited (company number 04346412) ("HC 5");
- (f) Thistle Barbican Limited (company number 04402661) ("HC 6"); and
- (g) the Thistle Dormant Companies.

each a **"Target Group Company"**;

"Thistle Dormant Companies"

means together LPH Angus Limited (company number 00623246) and Mount Charlotte Hotels Limited (company number 00090841);

"Total Commitments"

means the aggregate of for the time being of the Commitments, being £170,000,000 at the date of the Credit Agreement;

"Treasury Guarantee"

each and any agreed form guarantee entered into between the Original Hedging Counterparty and the Hedging Guarantor Bank now or in future in relation to all sums due and payable by the Borrowers under any Hedging Arrangements entered into now or in future between the Borrowers and the Original Hedging Counterparty;

"Treaty Lender"

means a Lender which:

- i. is treated as a resident of a Treaty State for the purposes of the Treaty;
- ii. does not carry on a business in the United Kingdom through a permanent establishment with which that Lender's participation in the Loan is effectively connected;

"Treaty State"

means a jurisdiction having a double taxation agreement (a **"Treaty"**) with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest;

"TTIC"

means, together,:

- i. Topland Delta Limited (company number 04491125);
- ii. Topland Medway Limited (company number 04118788);
- iii. Topland Riversmeet Limited (company number 04118793);
- iv. Topland Summit Limited (company number 04491145);
- v. Topland Tor Limited (company number 04491178);

(each a "TTIC", all of 8 Baker Street, London, W1U 3LL.).

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04346502

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT AN ASSIGNATION OF RENTS DATED THE 4th MAY 2005 AND CREATED BY THISTLE EDINBURGH LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANIES AND TOPLAND GROUP HOLDINGS LIMITED 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 18th MAY 2005.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 24th MAY 2005.

CANCELLED

THIS CERTIFICATE
HAS BEEN CANCELLED
IN FAVOUR OF A NEW
CERTIFICATE DATED
21 JUNE 2005

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THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04346502

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT AN ASSIGNATION OF RENTS ON 4TH MAY 2005 DATED THE 28th APRIL 2005 AND CREATED BY TOPLAND HOTELS (EDINBURGH) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANIES AND TOPLAND GROUP HOLDINGS LIMITED 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 18th MAY 2005.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 21st JUNE 2005.

DX. Ceri



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES