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COMPANIES FORM NO. 395

Particulars of a mortgage or charge

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

CHFP025

400024
395

Please do not
write in
this margin

Pursuant to section 395 of the Companies Act 1985

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

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

For official use

	1	
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Company number

05986673

Name of company

*Insert full name
of Company

**EDWARDIAN HAMPSHIRE HOTELS LIMITED, 140 Bath Road, Hayes,
Middlesex, UB3 5W (Chargor)**

Date of creation of the charge

✓ 29 December 2006

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

5 Deed of Debenture made between the Chargor and the Security Agent (Deed)

Amount secured by the mortgage or charge

10 All money and liabilities due on or after the date of the Deed, owing or incurred to the Beneficiaries (or any of them) by any Obligor under the Transaction Documents (or any of them) and under this Deed in whatsoever manner in any currency or currencies whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred in connection therewith. **(Secured Obligations)**

Please see annexure 1 for definitions

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

✓ **The Royal Bank of Scotland** acting through its Real Estate Finance, Global Banking and Markets Group, Level 5, 135 Bishopsgate London (**Security Agent** which expression includes its successors and assigns).

Postcode

EC2M 3UR

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

Our Ref: ROWEO/304919-2014
Addleshaw Goddard LLP
Alder Castle, 10 Noble Street
London EC2V 7JW

Time critical reference

For official Use
Mortgage Section



PMO

COMPANIES HOUSE

LD3

PHF7Q001
19/1/2007
LE5V8MA3
17/01/2007
COMPANIES HOUSE

430

336

Short particulars of all the property mortgaged or charged

see annexure 1

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

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

Signed

Adleshaw Goddard ^{Date} *17/1/07*

On behalf of [mortgagee/chargee]

Notes

†delete as
appropriate

- 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.
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;
- 3 (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 CF4 3UZ, DX: 33050 Cardiff

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EDWARDIAN HAMPSHIRE HOTELS LIMITED**Co. No. 05986673**

Short particulars of all the property mortgaged or charged

1 Covenant to pay

Pursuant to the Deed each of the Charging Companies covenanted with the Security Agent that (for the benefit of itself and the other Beneficiaries) it will pay the Secured Obligations as and when the same fall due for payment in accordance with the terms of the Finance Documents.

2 Charging Clause**2.1 Fixed charges**

Pursuant to the Deed it was agreed that as a continuing security for the payment of the Secured Obligations each Charging Company charged in favour of the Security Agent (for the benefit of itself and the other Beneficiaries) with full title guarantee the following assets, both present and future, from time to time owned by that Charging Company or in which that Charging Company is from time to time interested:

- (a) by way of first legal mortgage all the freehold property specified in Schedule 2 of the Deed together with all buildings and fixtures (including trade fixtures) at any time thereon;
- (b) by way of first legal mortgage all other freehold and leasehold property (if any) wherever situated together with all buildings and fixtures (including trade fixtures) at any time thereon;
- (c) by way of first fixed charge all other interests (not being charged by Clauses 3.1(a) or 3.1(b) of the Deed, as detailed in paragraph 2.1(a) or 2.1(b) of this form 395) in any freehold or leasehold property, the buildings and fixtures (including trade fixtures) at any time thereon, all proceeds of sale derived therefrom and the benefit of all covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land;
- (d) by way of first fixed charge all plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating to the same;
- (e) by way of first fixed charge all the Subsidiary Shares together with all Distribution Rights from time to time accruing thereto;
- (f) by way of first fixed charge all Investments together with all Distribution Rights from time to time accruing thereto;
- (g) by way of first fixed charge all rights and interests of that Charging Company in and claims under the Insurances or to which that Charging Company is otherwise entitled in respect thereof;

- (h) by way of first fixed charge all book and other debts, revenues and monetary claims of that Charging Company and all rights and claims of that Charging Company against third parties and against any security in respect of such debts, revenues or claims; ✓
- (i) by way of first fixed charge all Intellectual Property owned by that Charging Company and subject to third party proprietary rights existing prior to the date of the Deed, all Intellectual Property used by that Charging Company;
- (j) by way of first fixed charge the Assigned Agreements to the extent that it is not effectively assigned pursuant to Clause 3.6 of the Deed, as detailed in paragraph 2.6 of this form 395.
- (k) by way of first fixed charge the benefit of all licences, consents, agreements and authorisations held or utilised by that Charging Company in connection with its business or the use of any of its assets including, without limitation each Occupational Lease;
- (l) by way of first fixed charge all the goodwill and uncalled capital of that Charging Company; and ✓
- (m) the benefit, to the extent vested in it, of all building contracts, professionals' appointments, guarantees, valuations, surveys, reports, warranties (including, without limitation, all collateral warranties relating to the construction, design or maintenance of the Charged Property) and representations given or made by any building contractors, professional advisers or any other person in relation to any Charged Property, including all rights and remedies available to it against such persons.

2.2 Floating charge

Pursuant to the Deed it was agreed that as further continuing security for the payment of the Secured Obligations each Charging Company charged with full title guarantee in favour of the Security Agent (for the benefit of itself and the other Beneficiaries) by way of first floating charge all its assets and undertaking whatsoever and wheresoever both present and future not effectively charged by way of first fixed charge pursuant to the provisions of Clause 3.1 of the Deed, as detailed in paragraph 2.1 of this form 395 or assigned pursuant to the provisions of Clause 3.6 of the Deed, as detailed in paragraph 2.6 of this form 395 or by any Supplemental Legal Charge.

2.3 Conversion of floating charge

The Security Agent may, and upon receiving instructions from the Majority Lenders, will, at any time by notice in writing to each Charging Company convert the floating charge created pursuant to Clause 3.2 of the Deed, as detailed in paragraph 2.2 of this form 395 into a fixed charge as regards such assets as it shall specify in the notice in the event that:

- (a) an Event of Default has occurred and is continuing; or
- (b) the Security Agent is of the view that any legal process or execution is being enforced against such assets; or
- (c) the Security Agent reasonably considers that such assets are in material danger of being imminently seized pursuant to any form of legal process,

and by way of further assurance each Charging Company shall promptly execute a fixed charge over such assets in such form as the Security Agent shall require.

2.4 Automatic conversion of floating charge

If

- (a) a Charging Company creates (or purports to create) any Encumbrance on or over any of the Charged Property not expressed to be subject to a fixed charge under the Deed (a **"Floating Charge Asset"**) (other than a Permitted Encumbrance, or unless the creation of such Encumbrance is permitted in writing by the Security Agent or is permitted under the terms of the Facility Agreement); or
- (b) any third party levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset; or
- (c) any corporate action, legal proceedings or other procedures or steps are taken for the winding up, (other than a winding-up petition which is frivolous and vexatious and is discharged within 14 days of its presentation), dissolution, administration or reorganisation of any Charging Company,

the floating charge created by the Deed will automatically (without notice) be converted into a fixed charge over the relevant Floating Charge Asset or, in the circumstances described in Clause 3.4(c) of the Deed, as detailed in paragraph 2.4(c) of this form 395, all Floating Charge Assets, immediately such event occurs.

2.5 Leasehold interests containing prohibition on charging

- (a) Pursuant to the Deed it was agreed that until the relevant consent has been obtained, there shall be excluded from the charge created by Clause 3.1 of the Deed, as detailed in paragraph 2.1 of this form 395 (and from the operation of the further assurance provisions set out in Clause 5 of the Deed, as detailed in paragraph 3 of this form 395) any leasehold property held by a Charging Company under a lease the terms of which either preclude absolutely that Charging Company from creating any charge over its leasehold interest in such property or require the consent of any third party prior to the creation of such charge and such consent shall not have been previously obtained (each an **"Excluded Property"**).
- (b) Pursuant to the Deed it was agreed that with regard to each Excluded Property, each Charging Company undertook to make application for the consent of the relevant third party to the creation of the charge contained in Clause 3.1 of the Deed, as detailed in paragraph 2.1 of this form 395 (or to be created pursuant to Clause 5 of the Deed, as detailed in paragraph 3 of this form 395) within 7 days of the date of the Deed and, in respect of each lease which provides that the relevant third party will not unreasonably withhold its consent, to use all reasonable endeavours to obtain such consent as soon as possible and to keep the Security Agent informed of the progress of its negotiations with such third parties.
- (c) Pursuant to the Deed it was agreed that forthwith, upon receipt of the relevant third party's consent as aforesaid, the relevant Excluded Property shall thereupon stand charged to the Security Agent pursuant to the terms of Clause 3.1 of the Deed, as detailed in paragraph 2.1 of this form 395. If required by the Security Agent at any time following receipt of such consent each Charging Company will execute a Supplemental Legal Charge.

2.6 Assignments

- (a) Pursuant to the Deed it was agreed that as a continuing security for the payment of the Secured Obligations, each Charging Company assigned to the Security Agent (for the benefit of itself and the other Beneficiaries) with full title guarantee all its right title and interest in and to:
 - (i) each Occupational Lease;
 - (ii) the Insurances all claims under the Insurances and all proceeds thereof; and
 - (iii) the Assigned Agreements and all rights and remedies in connection therewith and all proceeds and claims arising therefrom; and
- (b) Each Charging Company shall remain liable to perform all its obligations under the Insurances and the Assigned Agreements.
- (c) Within 7 days of execution of the Deed, the obtaining of the Insurances, or the execution of any Assigned Agreements after the date of the Deed, each Charging Company will give notice of each assignment of its right, title and interest in the Insurances and the Assigned Agreement, by sending a notice in the form set out in Schedule 7 of the Deed to the insurances company which issued the Insurances and each other party to the Assigned Agreement.
- (d) Immediately following a request by the Facility Agent upon the occurrence of a Default which is continuing, each Charging Company will give notice of the assignment of its right, title and interest in each Occupational Lease (other than a Retail Occupational Lease) (to which it is party) by sending a notice in the form set out in Schedule 8 of the Deed to each other party to that Occupational Lease; and
- (e) Whilst no Event of Default exists which is continuing:
 - (i) the Security Agent shall permit each Charging Company to exercise its rights under any Assigned Agreement to which it is party provided that the exercise of those rights in the manner proposed would not result in an Event of Default under the terms of the Facility Agreement; and
 - (ii) any payments received by the Security Agent under or in respect of the Insurance by virtue of the Deed shall be paid by the Security Agent to the relevant Charging Company for application in accordance with the provisions of the Facility Agreement.

2.7 Qualifying floating charge

The Deed contains a qualifying floating charge, and paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by Clause 3.2 of the Deed, as detailed in paragraph 2.2 of this form 395.

3 Further assurance

3.1 General

- (a) Pursuant to the Deed it was agreed that each Charging Company will at its own expense promptly execute such deeds, assurances, agreements, instruments and otherwise do such acts and things as the Security Agent may reasonably require for

perfecting and protecting the security created (or intended to be created) by the Deed or facilitating the realisation thereof or otherwise for enforcing the same or exercising any of the Security Agent's rights hereunder. In particular, but without limitation, each Charging Company will:

- (i) execute a Supplemental Legal Charge in respect of any freehold or leasehold property now or in the future belonging to that Charging Company which is not hereby effectively charged by way of legal mortgage;
 - (ii) execute a legal assignment (in such form as the Security Agent shall reasonably require) over all or any of the debts, rights, claims and contracts hereby charged;
 - (iii) execute a valid fixed charge (in such form as the Security Agent shall reasonably require) over any asset the subject of the floating charge hereunder when that charge converts into a fixed charge as provided in Clauses 3.3 and 3.4 of the Deed, as detailed in paragraphs 2.3 and 2.4 of this form 395 respectively;
 - (iv) otherwise execute all transfers, conveyances, assignments and assurances whatsoever and give all notices, orders, instructions and directions whatsoever which the Security Agent may think expedient.
- (b) Any document required to be executed by a Charging Company pursuant to this Clause 5.1 of the Deed, as detailed in paragraph 4.1 of this form 395 will be prepared at the cost of that Charging Company.

4 Negative pledge and disposal restrictions

Pursuant to the Deed it was agreed that except to the extent permitted by the Facility Agreement, during the continuance of the security created by the Deed, no Charging Company will, without the prior consent in writing of the Security Agent:

- (a) create or agree or attempt to create or permit to subsist (in favour of any person other than the Security Agent) any Encumbrance over the whole or any part of the Charged Property; or
- (b) (whether by a single transaction or a number of related or unrelated transactions and whether at the same time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of or cease to exercise direct control over all or any part of the Charged Property or any interest therein (other than assets the subject of the floating charge only on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same or agree or attempt to do so, otherwise to the extent permitted by any Finance Documents; or

dispose of the equity of redemption in respect of all or any part of the Charged Property.

Definitions

Advance means, save as otherwise provided herein, a General Term Advance, a General Revolving Advance or a Development Advance, each as defined in the Facility Agreement

Ancillary Facilities means the ancillary facility made available under the Facility Agreement as described in Clause 2.1(d) of the Facility Agreement.

Ancillary Facilities Bank means the Royal Bank of Scotland plc

Ancillary Facility Document means any agreement or other document which evidences the obligations of any Borrower in respect of any Ancillary Facilities

Arranger means the Royal Bank of Scotland plc

Assigned Agreements means

- (a) the Hotel Management Agreement between (1) Edwardian London Management Services Limited and (2) Edwardian Pastoria Hotels Limited each Finance Party; and
- (b) the Hotel Management Agreement between (1) Edwardian London Management Services Limited and (2) Edwardian Hampshire Hotels Limited.

Beneficiary means:

- (a) each Finance Party;
- (b) the Overdraft Bank;
- (c) the Ancillary Facilities Bank; and
- (d) each Hedging Counterparty.

Borrower means each of:

- (a) Edwardian International Hotels Limited a company incorporated in England and Wales with registration number 02808125;
- (b) EEHL

(together the **Borrowers**)

Charged Property means all the assets, property, goodwill and undertaking of the Charging Companies from time to time charged or assigned to the Security Agent pursuant to the terms of the Deed and any Supplemental Legal Charge (and **Charged Properties** shall be construed accordingly).

Charging Companies means each of:

- (a) Edwardian Pastoria Hotels Ltd a company incorporated in England and Wales with registration number 5986690;
- (b) Edwardian Hampshire Hotels Ltd a company incorporated in England and Wales with registration number 5986673;

(together the **Charging Companies**)

Commitments in relation to a Lender means:

- (a) its General Term Commitment;
- (b) its General Revolving Commitment; and
- (c) its Development Commitment,

and **Commitment** means any one of them, each as defined in the Facility Agreement

Company means Edwardian International Hotels Limited a company incorporated in England and Wales with registration number 02808125

Debenture means a deed of debenture entered or to be entered into by one or more Obligors in favour of the Security Agent

Deed of Undertaking means the deed of undertaking entered or to be entered into between EGL, ELL, and the Security Agent.

Default means an Event of Default or any event or circumstance specified in Clause 26 of the Facility Agreement which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

Development Advance means an advance made or to be made under the Development Facility or the principal amount outstanding for the time being of that advance.

Development Facility means the loan facility made available under the Facility Agreement as described in Clause 2.1(b) thereof.

Development Facility Guarantee has the meaning ascribed to it in Clause 21.(b) of the Facility Agreement.

Distribution Rights means all dividends, distributions and other income paid or payable on the relevant Investment or Subsidiary Share (as the case may be) together with all shares or other property derived from the relevant Investment or Subsidiary Share (as the case may be) together also with all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to the relevant Investment or Subsidiary Share (whether by way of conversion, redemption, bonus preference, option or otherwise).

Edwardian Group means EGL and its Subsidiaries

EEHL means Edwardian Exclusive Hotels Limited, a company incorporated in England and Wales having registration number 2807960.

EGL means Edwardian Group Limited, a company incorporated in England and Wales and having registration number 01316061.

ELL means Edwardian Hotels Limited, a company incorporated in England and Wales and having registration number 1009827.

Encumbrance means a mortgage, charge, pledge, hypothecation, assignment, lien or other security interest securing any obligation of any person or any other agreement or arrangement the effect of which is to give a creditor in respect of the Financial Indebtedness of a person a priority claim to an asset of such person in any insolvency proceedings in relation to that person.

Event of Default means any event or circumstance specified as such in Clause 26 of the Facility Agreement.

Facilities means each of:

- (a) the General Term Facility;

- (b) the General Revolving Facility;
- (c) the Development Facility;
- (d) the Overdraft Facility; and
- (e) the Ancillary Facility

(and "**Facility**" means any of them, each as defined in the Facility Agreement).

Facility Agent means The Royal Bank of Scotland plc

Facility Agreement means the facility agreement dated 24 December 2004, as amended and restated on 29 July 2005, between Edwardian International Hotels Limited and others as borrowers, Edwardian International Hotels Limited and others as original guarantors and The Royal Bank of Scotland plc as Original Lender, Arranger, Guarantee Bank, Overdraft Bank, Ancillary Facilities Bank, Facility Agent, Security Agent and Hedging Counterparty.

Fee Letter means the letter dated on or about the date of the Facility Agreement from The Royal Bank of Scotland plc to the Company in relation to:

- (a) the agency fee referred to in Clause 15.2 of the Facility Agreement; and
- (b) the arrangement fee referred to in Clause 15.3 of the Facility Agreement.

Finance Documents means:

- (a) the Facility Agreement;
- (b) each Subordination Deed;
- (c) each Fee Letter;
- (d) each Transfer Certificate;
- (e) each Security Document;
- (f) the Deed of Undertaking;
- (g) the OML Deed of Undertaking; and
- (h) any document not referred to at paragraphs (a) to (g) above designated a Finance Document by the Facility Agent and an Obligor.

Finance Party means each Lender, the Guarantee Bank, the Facility Agent, the Security Agent and the Arranger.

"Financial Indebtedness" means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement unless the same was entered into in the ordinary course of business and where payment of the purchase price by the applicable obligor was deferred for a period of no more than six months) the primary purpose of which was the raising of money;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond (other than performance bonds), standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (i) any amount raised by the issue of redeemable shares which are by their express terms capable of being redeemed prior to the Final Repayment Date; and
- (j) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

General Revolving Advance means an advance made or to be made under the General Revolving Facility or the principal amount outstanding for the time being of that Advance.

General Revolving Facility means the loan facility made available under the Facility Agreement as described in Clause 2.1(a) thereof.

General Term Advance means an advance made or to be made under the General Term Facility or the principal amount outstanding for the time being of that advance.

General Term Facility means the loan facility made available under the Facility Agreement as described in Clause 2.1(a) thereof.

Guarantee Bank means The Royal Bank of Scotland plc

Guaranteed Instrument means:

- (a) the lease (being an operating lease) of a hotel property to which a Subsidiary of EGL is the lessee party; or
- (b) a hotel management agreement (in relation to a hotel (other than a Property)) to which a Subsidiary of EGL is the manager party,
- (c) in either case obligations of which are or to are to be guaranteed under the terms of a Development Facility Guarantee.

Guarantor means each of:

- (a) Edwardian International Hotels Limited a company incorporated in England and Wales with registration number 02808125;

- (b) Edwardian Exclusive Hotels Limited a company incorporated in England and Wales with registration number 02807960;
- (c) Edwardian Limited a company incorporated in England and Wales with registration number 2808138;
- (d) Vanderbilt Hotels Limited a company incorporated in England and Wales with registration number 2807950;
- (e) London May Fair Hotel Limited a company incorporated in England and Wales with registration number 04835591;
- (f) Edwardian London Management Services Limited a company incorporated in England and Wales with registration number 2800972;
- (g) Dicetask Limited a company incorporated in England and Wales with registration number 01937880; and
- (h) Edwardian Hotels Limited a company incorporated in England and Wales with registration number 1009827;

(together the **Guarantors**)

Hedging Agreement means:

- (a) the ISDA master agreements and schedules dated on or about the date hereof and entered into between by the Original Hedging Counterparty with the Company and EEHL respectively.
- (b) any other ISDA master agreement, confirmation, schedule or other agreement entered into or to be entered into by a Borrower and a Lender for the purpose of hedging the interest rate liabilities of the Borrowers in relation to the Facilities and which is or becomes a Hedging Agreement pursuant to Clause 2.3 of the Facility Agreement.

Hedging Counterparty mean:

- (a) the Original Hedging Counterparty;
- (b) any person which has become a Hedging Counterparty in accordance with Clause 28 of the Facility Agreement.

Initial Subordination Deed means the subordination deed dated on or about the date of the Facility Agreement and entered into by the Obligors, the persons specified therein as Subordinated Creditors and the Security Agent.

Insurances means all contracts and policies of insurance taken out and/or maintained by an Obligor (or in which an Obligor has an interest) in either case pursuant to the Finance Documents.

Intellectual Property means know how, patents, trade marks, service marks, designs, business names, copyrights, confidential information, computer software and all other intellectual property rights and any interest (including by way of licence) in any of the foregoing (in each case whether registered or not and including all applications for the same).

Investment means any negotiable instrument, certificate of deposit, debenture, share or other investment (as defined in Part II of Schedule 2 of the Financial Services and Markets Act 2001 (as

amended from time to time) and Part III of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (as amended from time to time).

Lender means:

- (a) the Original Lender;
- (b) any bank or financial institution which has become a Lender Party in accordance with Clause 28 of the Facility Agreement

and which in each case has not ceased to be a Party in accordance with the terms of the Facility Agreement.

Majority Lenders means:

- (a) if there are no Advances then outstanding, a Lender or Lenders whose Commitments aggregate more than $66\frac{2}{3}$ per cent of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregate more than $66\frac{2}{3}$ per cent of the Total Commitments immediately prior to the reduction); or
- (b) at any other time, a Lender or Lenders whose participations in the Advances then outstanding aggregate more than $66\frac{2}{3}$ per cent of the Advances then outstanding.

New Property means any property that becomes a Property in accordance with the provisions of Clause 27.1 of the Facility Agreement.

Obligor means each Borrower and each Guarantor (and **Obligor** means each one of them).

Obligor Group means the group of companies comprising the Borrowers and the Guarantors.

Occupational Lease means any lease, any agreement for lease and any other lease, licence, tenancy or other occupational arrangement to which a Property is subject from time to time.

OML means Old May Fair Limited, a company incorporated in England and Wales with registration number 31462.

OML Deed of Undertaking means the deed of undertaking entered or to be entered into between OML and the Security Agent.

Original Hedging Counterparty means The Royal Bank of Scotland plc

Original Lender means The Royal Bank of Scotland plc

Overdraft Bank means The Royal Bank of Scotland plc

Overdraft Document means any agreement or other document which evidences the obligations of the Borrower under the Overdraft Facility.

Overdraft Facility means the overdraft facility made available under the Facility Agreement as described in Clause 2.1(c) of the Facility Agreement.

Party means a party to the Finance Documents and includes its successors in title, permitted assigns and permitted transferees.

Permitted Encumbrance means:

(a) in the case of any Obligor other than EHL:

- (i) any Encumbrance constituted under the Security Documents;
- (ii) those *Encumbrances in favour of existing mortgages of the Obligors as set out in Schedule 13 (which Encumbrances shall cease to be Permitted Encumbrances on the initial Utilisation Date)*;
- (iii) any lien arising by operation of law;
- (iv) any Encumbrance in respect of unpaid Tax arising by operation of law or arising under any attachment or similar process or out of judgments or awards where the Tax or other amounts concerned are being contested by the relevant Obligor in good faith;
- (v) any *Encumbrance which consists of the retention of title on normal commercial terms imposed by a supplier in the ordinary course of its business*;
- (vi) any netting or set-off arrangement (or any Encumbrance over a credit balance in a bank account which is entered into in order to effect such arrangement) entered into by any Obligor in the normal course of its banking arrangements or by any Obligor with any other Edwardian Group member in connection with any cash pooling arrangements between Edwardian Group members;
- (vii) any *netting or set-off arrangements under a Hedging Agreement*;
- (viii) any Encumbrance arising on rental deposits in connection with leasehold premises used by any member of the Obligor Group; and
- (ix) Encumbrances arising in connection with equipment leasing, hire purchase, deferred purchase or similar arrangements as permitted by this Agreement; and

(b) in the case of EHL, any Encumbrance over its assets or revenues other than:

- (i) any Encumbrance over the Security Assets owned by it (but excluding any Encumbrance specified in paragraph (a)(i), (ii) or (iii) above); or
- (ii) any floating charge over any of its assets or revenues

Property means:

- (a) a property listed in Schedule 7 of the Facility Agreement; and
- (b) a New Property,
- (c) and where the context so requires, any building thereon (and provided that any such property shall cease to constitute a Property for the purposes hereof upon it being released from the fixed Encumbrances constituted by the Security Documents in accordance with the provisions of the Finance Documents).

Retail Occupational Lease means each Occupational Lease:

- (a) existing as at the date hereof of an area within a Property that is used as a retail unit at any Property at the date hereof; and
- (b) of a retail unit specified in paragraph (a) above entered into after the date hereof where:
 - (i) such Occupational Lease is granted on open market terms (and prohibits assignment and subletting by the tenant);
 - (ii) such Occupational Lease will not adversely affect to a material extent the value of the applicable Property; and
 - (iii) the tenant and its activities to be undertaken at such unit are consistent in quality with and appropriate to the trade of the applicable Charging Company at the relevant Property.

Schedule 2 contains the following properties:

- (a) Pastoria Hotel, 3 St Martins Street, Leicester Square, London registered at the Land Registry under title number: 26178; and
- (b) Hampshire Hotel, 31-36 Leicester Square, 6 Longs Court and 21 Irving Street, London registered at the Land Registry under title numbers: NGL529523, LN55188, 80638

Security Assets means the Properties and any other assets of the Obligors secured in favour of the Security Agent by a fixed or floating charge or other Encumbrance under or pursuant to the Security Documents.

Security Document means:

- (a) each Debenture;
- (b) each Share Mortgage;
- (c) each Supplemental Legal Charge;
- (d) each Subsidiary Charge; and
- (e) any document not referred to in paragraphs (a) to (d) above (i) pursuant to which any person provides any security in favour of the Security Agent in respect of the obligations of any Obligor under the Transaction Documents (or any of them) and/or (ii) designated a

Share Mortgage means any mortgage of shares dated on or after the date hereof between any shareholder of an Obligor (not being itself an Obligor) and the Security Agent

Subordinated Creditors means any creditor of any Obligor the claims of which against that Obligor are subject to the provisions of a Subordination Deed

Subordination Deed means:

- (a) the Initial Subordination Deed; and
- (b) any subordination deed, in form and substance satisfactory to the Facility Agent, entered into or to be entered into (in each case for the purpose of Clause 25.6(a)(i) of the Facility Agreement) by one or more Obligors, any applicable lender to such Obligor and the Security Agent.

Subsidiary means a "subsidiary" within the meaning of section 736 of the Companies Act 1985 (for which purposes, "company" in section 736 shall be deemed to include any company not itself a "Company" within the meaning of section 735 of the Companies Act 1985 but which would otherwise meet the definition of "subsidiary" in such Section 736).

Subsidiary Charge means a deed of charge entered or to be entered into by a Subsidiary of EGL the obligations of which under any Guaranteed Instrument are guaranteed pursuant to a Development Facility Guarantee in favour of the Security Agent.

Subsidiary Shares means all shares owned by the Charging Companies in their Subsidiaries from time to time (including those listed in Schedule 3 of the Deed) incorporated in England and Wales.

Supplemental Legal Charge means a deed of Supplemental Legal Charge in substantially the form set out in Schedule 9 of the Deed executed or to be executed by any of the Charging Companies in favour of the Security Agent.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) (and "Taxation" shall be construed accordingly).

Total Commitments means at any time the aggregate of:

- (a) the Total General Term Commitments;
 - (b) the Total Revolving Term Commitments; and
 - (c) the Total Development Commitments,
- (each as defined in the Facility Agreement)

Transaction Documents means:

- (a) the Finance Documents;
- (b) each Hedging Agreement;
- (c) each Overdraft Document;
- (d) each Ancillary Facility Document; and
- (e) any document not referred to at paragraphs (a) to (d) above designated a Transaction Document by the Facility Agent and the Company.

Transfer Certificate means a certificate substantially in the form set out in Schedule 5 of the Facility Agreement or any other form agreed between the Facility Agent and the Company

Utilisation means an Advance or a Development Facility Guarantee

Utilisation Date means the date of the Utilisation.

EDWARDIAN HAMPSHIRE HOTELS LIMITED

Co. No. 05986673

Short particulars of all the property mortgaged or charged

1 Covenant to pay

Pursuant to the Deed each of the Charging Companies covenanted with the Security Agent that (for the benefit of itself and the other Beneficiaries) it will pay the Secured Obligations as and when the same fall due for payment in accordance with the terms of the Finance Documents.

2 Charging Clause

2.1 Fixed charges

Pursuant to the Deed it was agreed that as a continuing security for the payment of the Secured Obligations each Charging Company charged in favour of the Security Agent (for the benefit of itself and the other Beneficiaries) with full title guarantee the following assets, both present and future, from time to time owned by that Charging Company or in which that Charging Company is from time to time interested:

- (a) by way of first legal mortgage all the freehold property specified in Schedule 2 of the Deed together with all buildings and fixtures (including trade fixtures) at any time thereon;
- (b) by way of first legal mortgage all other freehold and leasehold property (if any) wherever situated together with all buildings and fixtures (including trade fixtures) at any time thereon;
- (c) by way of first fixed charge all other interests (not being charged by Clauses 3.1(a) or 3.1(b) of the Deed, as detailed in paragraph 2.1(a) or 2.1(b) of this form 395) in any freehold or leasehold property, the buildings and fixtures (including trade fixtures) at any time thereon, all proceeds of sale derived therefrom and the benefit of all covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land;
- (d) by way of first fixed charge all plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating to the same;
- (e) by way of first fixed charge all the Subsidiary Shares together with all Distribution Rights from time to time accruing thereto;
- (f) by way of first fixed charge all Investments together with all Distribution Rights from time to time accruing thereto;
- (g) by way of first fixed charge all rights and interests of that Charging Company in and claims under the Insurances or to which that Charging Company is otherwise entitled in respect thereof;

- (h) by way of first fixed charge all book and other debts, revenues and monetary claims of that Charging Company and all rights and claims of that Charging Company against third parties and against any security in respect of such debts, revenues or claims;
- (i) by way of first fixed charge all Intellectual Property owned by that Charging Company and subject to third party proprietary rights existing prior to the date of the Deed, all Intellectual Property used by that Charging Company;
- (j) by way of first fixed charge the Assigned Agreements to the extent that it is not effectively assigned pursuant to Clause 3.6 of the Deed, as detailed in paragraph 2.6 of this form 395.
- (k) by way of first fixed charge the benefit of all licences, consents, agreements and authorisations held or utilised by that Charging Company in connection with its business or the use of any of its assets including, without limitation each Occupational Lease;
- (l) by way of first fixed charge all the goodwill and uncalled capital of that Charging Company; and
- (m) the benefit, to the extent vested in it, of all building contracts, professionals' appointments, guarantees, valuations, surveys, reports, warranties (including, without limitation, all collateral warranties relating to the construction, design or maintenance of the Charged Property) and representations given or made by any building contractors, professional advisers or any other person in relation to any Charged Property, including all rights and remedies available to it against such persons.

2.2 Floating charge

Pursuant to the Deed it was agreed that as further continuing security for the payment of the Secured Obligations each Charging Company charged with full title guarantee in favour of the Security Agent (for the benefit of itself and the other Beneficiaries) by way of first floating charge all its assets and undertaking whatsoever and wheresoever both present and future not effectively charged by way of first fixed charge pursuant to the provisions of Clause 3.1 of the Deed, as detailed in paragraph 2.1 of this form 395 or assigned pursuant to the provisions of Clause 3.6 of the Deed, as detailed in paragraph 2.6 of this form 395 or by any Supplemental Legal Charge.

2.3 Conversion of floating charge

The Security Agent may, and upon receiving instructions from the Majority Lenders, will, at any time by notice in writing to each Charging Company convert the floating charge created pursuant to Clause 3.2 of the Deed, as detailed in paragraph 2.2 of this form 395 into a fixed charge as regards such assets as it shall specify in the notice in the event that:

- (a) an Event of Default has occurred and is continuing; or
- (b) the Security Agent is of the view that any legal process or execution is being enforced against such assets; or
- (c) the Security Agent reasonably considers that such assets are in material danger of being imminently seized pursuant to any form of legal process,

and by way of further assurance each Charging Company shall promptly execute a fixed charge over such assets in such form as the Security Agent shall require.

2.4 Automatic conversion of floating charge

If

- (a) a Charging Company creates (or purports to create) any Encumbrance on or over any of the Charged Property not expressed to be subject to a fixed charge under the Deed (a "**Floating Charge Asset**") (other than a Permitted Encumbrance, or unless the creation of such Encumbrance is permitted in writing by the Security Agent or is permitted under the terms of the Facility Agreement); or
- (b) any third party levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset; or
- (c) any corporate action, legal proceedings or other procedures or steps are taken for the winding up, (other than a winding-up petition which is frivolous and vexatious and is discharged within 14 days of its presentation), dissolution, administration or reorganisation of any Charging Company,

the floating charge created by the Deed will automatically (without notice) be converted into a fixed charge over the relevant Floating Charge Asset or, in the circumstances described in Clause 3.4(c) of the Deed, as detailed in paragraph 2.4(c) of this form 395, all Floating Charge Assets, immediately such event occurs.

2.5 Leasehold interests containing prohibition on charging

- (a) Pursuant to the Deed it was agreed that until the relevant consent has been obtained, there shall be excluded from the charge created by Clause 3.1 of the Deed, as detailed in paragraph 2.1 of this form 395 (and from the operation of the further assurance provisions set out in Clause 5 of the Deed, as detailed in paragraph 3 of this form 395) any leasehold property held by a Charging Company under a lease the terms of which either preclude absolutely that Charging Company from creating any charge over its leasehold interest in such property or require the consent of any third party prior to the creation of such charge and such consent shall not have been previously obtained (each an "**Excluded Property**").
- (b) Pursuant to the Deed it was agreed that with regard to each Excluded Property, each Charging Company undertook to make application for the consent of the relevant third party to the creation of the charge contained in Clause 3.1 of the Deed, as detailed in paragraph 2.1 of this form 395 (or to be created pursuant to Clause 5 of the Deed, as detailed in paragraph 3 of this form 395) within 7 days of the date of the Deed and, in respect of each lease which provides that the relevant third party will not unreasonably withhold its consent, to use all reasonable endeavours to obtain such consent as soon as possible and to keep the Security Agent informed of the progress of its negotiations with such third parties.
- (c) Pursuant to the Deed it was agreed that forthwith, upon receipt of the relevant third party's consent as aforesaid, the relevant Excluded Property shall thereupon stand charged to the Security Agent pursuant to the terms of Clause 3.1 of the Deed, as detailed in paragraph 2.1 of this form 395. If required by the Security Agent at any time following receipt of such consent each Charging Company will execute a Supplemental Legal Charge.

2.6 Assignments

- (a) Pursuant to the Deed it was agreed that as a continuing security for the payment of the Secured Obligations, each Charging Company assigned to the Security Agent (for the benefit of itself and the other Beneficiaries) with full title guarantee all its right title and interest in and to:
 - (i) each Occupational Lease;
 - (ii) the Insurances all claims under the Insurances and all proceeds thereof; and
 - (iii) the Assigned Agreements and all rights and remedies in connection therewith and all proceeds and claims arising therefrom; and
- (b) Each Charging Company shall remain liable to perform all its obligations under the Insurances and the Assigned Agreements.
- (c) Within 7 days of execution of the Deed, the obtaining of the Insurances, or the execution of any Assigned Agreements after the date of the Deed, each Charging Company will give notice of each assignment of its right, title and interest in the Insurances and the Assigned Agreement, by sending a notice in the form set out in Schedule 7 of the Deed to the insurances company which issued the Insurances and each other party to the Assigned Agreement.
- (d) Immediately following a request by the Facility Agent upon the occurrence of a Default which is continuing, each Charging Company will give notice of the assignment of its right, title and interest in each Occupational Lease (other than a Retail Occupational Lease) (to which it is party) by sending a notice in the form set out in Schedule 8 of the Deed to each other party to that Occupational Lease; and
- (e) Whilst no Event of Default exists which is continuing:
 - (i) the Security Agent shall permit each Charging Company to exercise its rights under any Assigned Agreement to which it is party provided that the exercise of those rights in the manner proposed would not result in an Event of Default under the terms of the Facility Agreement; and
 - (ii) any payments received by the Security Agent under or in respect of the Insurance by virtue of the Deed shall be paid by the Security Agent to the relevant Charging Company for application in accordance with the provisions of the Facility Agreement.

2.7 Qualifying floating charge

The Deed contains a qualifying floating charge, and paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by Clause 3.2 of the Deed, as detailed in paragraph 2.2 of this form 395.

3 Further assurance

3.1 General

- (a) Pursuant to the Deed it was agreed that each Charging Company will at its own expense promptly execute such deeds, assurances, agreements, instruments and otherwise do such acts and things as the Security Agent may reasonably require for

perfecting and protecting the security created (or intended to be created) by the Deed or facilitating the realisation thereof or otherwise for enforcing the same or exercising any of the Security Agent's rights hereunder. In particular, but without limitation, each Charging Company will:

- (i) execute a Supplemental Legal Charge in respect of any freehold or leasehold property now or in the future belonging to that Charging Company which is not hereby effectively charged by way of legal mortgage;
 - (ii) execute a legal assignment (in such form as the Security Agent shall reasonably require) over all or any of the debts, rights, claims and contracts hereby charged;
 - (iii) execute a valid fixed charge (in such form as the Security Agent shall reasonably require) over any asset the subject of the floating charge hereunder when that charge converts into a fixed charge as provided in Clauses 3.3 and 3.4 of the Deed, as detailed in paragraphs 2.3 and 2.4 of this form 395 respectively;
 - (iv) otherwise execute all transfers, conveyances, assignments and assurances whatsoever and give all notices, orders, instructions and directions whatsoever which the Security Agent may think expedient.
- (b) Any document required to be executed by a Charging Company pursuant to this Clause 5.1 of the Deed, as detailed in paragraph 4.1 of this form 395 will be prepared at the cost of that Charging Company.

4 Negative pledge and disposal restrictions

Pursuant to the Deed it was agreed that except to the extent permitted by the Facility Agreement, during the continuance of the security created by the Deed, no Charging Company will, without the prior consent in writing of the Security Agent:

- (a) create or agree or attempt to create or permit to subsist (in favour of any person other than the Security Agent) any Encumbrance over the whole or any part of the Charged Property; or
- (b) (whether by a single transaction or a number of related or unrelated transactions and whether at the same time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of or cease to exercise direct control over all or any part of the Charged Property or any interest therein (other than assets the subject of the floating charge only on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same or agree or attempt to do so, otherwise to the extent permitted by any Finance Documents; or

dispose of the equity of redemption in respect of all or any part of the Charged Property.

Definitions

Advance means, save as otherwise provided herein, a General Term Advance, a General Revolving Advance or a Development Advance, each as defined in the Facility Agreement

Ancillary Facilities means the ancillary facility made available under the Facility Agreement as described in Clause 2.1(d) of the Facility Agreement.

Ancillary Facilities Bank means the Royal Bank of Scotland plc

Ancillary Facility Document means any agreement or other document which evidences the obligations of any Borrower in respect of any Ancillary Facilities

Arranger means the Royal Bank of Scotland plc

Assigned Agreements means

- (a) the Hotel Management Agreement between (1) Edwardian London Management Services Limited and (2) Edwardian Pastoria Hotels Limited each Finance Party; and
- (b) the Hotel Management Agreement between (1) Edwardian London Management Services Limited and (2) Edwardian Hampshire Hotels Limited .

Beneficiary means:

- (a) each Finance Party;
- (b) the Overdraft Bank;
- (c) the Ancillary Facilities Bank; and
- (d) each Hedging Counterparty.

Borrower means each of:

- (a) Edwardian International Hotels Limited a company incorporated in England and Wales with registration number 02808125;
- (b) EEHL

(together the **Borrowers**)

Charged Property means all the assets, property, goodwill and undertaking of the Charging Companies from time to time charged or assigned to the Security Agent pursuant to the terms of the Deed and any Supplemental Legal Charge (and **Charged Properties** shall be construed accordingly).

Charging Companies means each of:

- (a) Edwardian Pastoria Hotels Ltd a company incorporated in England and Wales with registration number 5986690;
- (b) Edwardian Hampshire Hotels Ltd a company incorporated in England and Wales with registration number 5986673;

(together the **Charging Companies**)

Commitments in relation to a Lender means:

- (a) its General Term Commitment;
- (b) its General Revolving Commitment; and
- (c) its Development Commitment,

and **Commitment** means any one of them, each as defined in the Facility Agreement

Company means Edwardian International Hotels Limited a company incorporated in England and Wales with registration number 02808125

Debenture means a deed of debenture entered or to be entered into by one or more Obligors in favour of the Security Agent

Deed of Undertaking means the deed of undertaking entered or to be entered into between EGL, ELL, and the Security Agent.

Default means an Event of Default or any event or circumstance specified in Clause 26 of the Facility Agreement which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

Development Advance means an advance made or to be made under the Development Facility or the principal amount outstanding for the time being of that advance.

Development Facility means the loan facility made available under the Facility Agreement as described in Clause 2.1(b) thereof.

Development Facility Guarantee has the meaning ascribed to it in Clause 21.(b) of the Facility Agreement.

Distribution Rights means all dividends, distributions and other income paid or payable on the relevant Investment or Subsidiary Share (as the case may be) together with all shares or other property derived from the relevant Investment or Subsidiary Share (as the case may be) together also with all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to the relevant Investment or Subsidiary Share (whether by way of conversion, redemption, bonus preference, option or otherwise).

Edwardian Group means EGL and its Subsidiaries

EEHL means Edwardian Exclusive Hotels Limited, a company incorporated in England and Wales having registration number 2807960.

EGL means Edwardian Group Limited, a company incorporated in England and Wales and having registration number 01316061.

ELL means Edwardian Hotels Limited, a company incorporated in England and Wales and having registration number 1009827.

Encumbrance means a mortgage, charge, pledge, hypothecation, assignment, lien or other security interest securing any obligation of any person or any other agreement or arrangement the effect of which is to give a creditor in respect of the Financial Indebtedness of a person a priority claim to an asset of such person in any insolvency proceedings in relation to that person.

Event of Default means any event or circumstance specified as such in Clause 26 of the Facility Agreement.

Facilities means each of:

- (a) the General Term Facility;

- (b) the General Revolving Facility;
- (c) the Development Facility;
- (d) the Overdraft Facility; and
- (e) the Ancillary Facility

(and "Facility" means any of them, each as defined in the Facility Agreement).

Facility Agent means The Royal Bank of Scotland plc

Facility Agreement means the facility agreement dated 24 December 2004, as amended and restated on 29 July 2005, between Edwardian International Hotels Limited and others as borrowers, Edwardian International Hotels Limited and others as original guarantors and The Royal Bank of Scotland plc as Original Lender, Arranger, Guarantee Bank, Overdraft Bank, Ancillary Facilities Bank, Facility Agent, Security Agent and Hedging Counterparty.

Fee Letter means the letter dated on or about the date of the Facility Agreement from The Royal Bank of Scotland plc to the Company in relation to:

- (a) the agency fee referred to in Clause 15.2 of the Facility Agreement; and
- (b) the arrangement fee referred to in Clause 15.3 of the Facility Agreement.

Finance Documents means:

- (a) the Facility Agreement;
- (b) each Subordination Deed;
- (c) each Fee Letter;
- (d) each Transfer Certificate;
- (e) each Security Document;
- (f) the Deed of Undertaking;
- (g) the OML Deed of Undertaking; and
- (h) any document not referred to at paragraphs (a) to (g) above designated a Finance Document by the Facility Agent and an Obligor.

Finance Party means each Lender, the Guarantee Bank, the Facility Agent, the Security Agent and the Arranger.

"Financial Indebtedness" means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement unless the same was entered into in the ordinary course of business and where payment of the purchase price by the applicable obligor was deferred for a period of no more than six months) the primary purpose of which was the raising of money;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond (other than performance bonds), standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (i) any amount raised by the issue of redeemable shares which are by their express terms capable of being redeemed prior to the Final Repayment Date; and
- (j) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

General Revolving Advance means an advance made or to be made under the General Revolving Facility or the principal amount outstanding for the time being of that Advance.

General Revolving Facility means the loan facility made available under the Facility Agreement as described in Clause 2.1(a) thereof.

General Term Advance means an advance made or to be made under the General Term Facility or the principal amount outstanding for the time being of that advance.

General Term Facility means the loan facility made available under the Facility Agreement as described in Clause 2.1(a) thereof.

Guarantee Bank means The Royal Bank of Scotland plc

Guaranteed Instrument means:

- (a) the lease (being an operating lease) of a hotel property to which a Subsidiary of EGL is the lessee party; or
- (b) a hotel management agreement (in relation to a hotel (other than a Property)) to which a Subsidiary of EGL is the manager party,
- (c) in either case obligations of which are or to are to be guaranteed under the terms of a Development Facility Guarantee.

Guarantor means each of:

- (a) Edwardian International Hotels Limited a company incorporated in England and Wales with registration number 02808125;

- (b) Edwardian Exclusive Hotels Limited a company incorporated in England and Wales with registration number 02807960;
- (c) Edwardian Limited a company incorporated in England and Wales with registration number 2808138;
- (d) Vanderbilt Hotels Limited a company incorporated in England and Wales with registration number 2807950;
- (e) London May Fair Hotel Limited a company incorporated in England and Wales with registration number 04835591;
- (f) Edwardian London Management Services Limited a company incorporated in England and Wales with registration number 2800972;
- (g) Dicetask Limited a company incorporated in England and Wales with registration number 01937880; and
- (h) Edwardian Hotels Limited a company incorporated in England and Wales with registration number 1009827;

(together the **Guarantors**)

Hedging Agreement means:

- (a) the ISDA master agreements and schedules dated on or about the date hereof and entered into between by the Original Hedging Counterparty with the Company and EEHL respectively.
- (b) any other ISDA master agreement, confirmation, schedule or other agreement entered into or to be entered into by a Borrower and a Lender for the purpose of hedging the interest rate liabilities of the Borrowers in relation to the Facilities and which is or becomes a Hedging Agreement pursuant to Clause 2.3 of the Facility Agreement.

Hedging Counterparty mean:

- (a) the Original Hedging Counterparty;
- (b) any person which has become a Hedging Counterparty in accordance with Clause 28 of the Facility Agreement.

Initial Subordination Deed means the subordination deed dated on or about the date of the Facility Agreement and entered into by the Obligors, the persons specified therein as Subordinated Creditors and the Security Agent.

Insurances means all contracts and policies of insurance taken out and/or maintained by an Obligor (or in which an Obligor has an interest) in either case pursuant to the Finance Documents.

Intellectual Property means know how, patents, trade marks, service marks, designs, business names, copyrights, confidential information, computer software and all other intellectual property rights and any interest (including by way of licence) in any of the foregoing (in each case whether registered or not and including all applications for the same).

Investment means any negotiable instrument, certificate of deposit, debenture, share or other investment (as defined in Part II of Schedule 2 of the Financial Services and Markets Act 2001 (as

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 05986673

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 29th DECEMBER 2006 AND CREATED BY EDWARDIAN HAMPSHIRE HOTELS LTD FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM ANY OBLIGOR TO THE BENEFICIARIES (OR ANY OF THEM) 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 JANUARY 2007.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 23rd JANUARY 2007.

P. Angela



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —