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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

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

CHFP025

Please do not write in this margin

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

*insert full name of Company

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number



6327034

Name of company

* Menzies Hotels Property No 24 Limited (the "Chargor")

Date of creation of the charge

28 August 2007

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

Deed of Accession to a Debenture (the "Accession") entered into by (1) the New Chargors as set out in Schedule 1 of the Deed (2) The Original Chargors set out in Schedule 1 of the Debenture, and (3) The Governor and Company of the Bank of Scotland as security trustee (the "Security Trustee")

Amount secured by the mortgage or charge

All indebtedness and all obligations or liabilities of any kind which may now or at any time in the future be due, owing or incurred by each of the Obligors under any of the Finance Documents to the Beneficiaries (or any of them), whatever their nature or basis, in any currency or currencies and however they are described together with Interest and Expenses PROVIDED THAT "Secured Obligations" shall not include any obligation or liability to the extent that if it were so included the Debenture (or any part of it) would give rise to financial assistance within the meaning of Sections 152 (1)(a) of the Companies Act 1985 (the "Companies Act") unless such financial assistance is not prohibited by virtue of the provisions of Section 153 of the Companies Act or by virtue of due compliance with the provisions of Sections 155 to 158 (inclusive) of the Companies Act

For definitions see Appendix 2 attached

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

The Governor and Company of the Bank of Scotland of The Mound, Edinburgh

Postcode EH1 1JZ

Presentor's name address and reference (if any)

Eversheds LLP
Senator House
85 Queen Victoria Street
London
EC4V 4JL

For official Use (06/2005)

Mortgage Section

Post room

WEDNESDAY



A23 05/09/2007 426
COMPANIES HOUSE

Time critical reference

Short particulars of all the property mortgaged or charged

See Appendix 1 attached

Please do not
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this margin

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

of
w

Particulars as to commission allowance or discount (note 3)

NIL

Signed Eversheds LLP

Date 09/09/07

On behalf of ~~XXXXXXXXXXXXXXXXXX~~ [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

Appendix 1

Short particulars of all the property mortgaged or charged

1 1 Grant of security

The Chargor, as a continuing security for the payment, discharge and performance of the Secured Obligations, charges as security in favour of the Security Trustee the following assets

1 1 1 First legal mortgage on specified land and buildings

by way of first legal mortgage, all its Property

1.1.2 First fixed charge on other land and buildings

by way of first fixed charge, all its Property (but excluding any Property made subject to a valid legal mortgage under clause 1 1 1 of this Appendix), all other interests in its Property, and any rights under any licence or other agreement or document which gives the Chargor a right to enter upon or use land wherever situated,

1 1 3 First fixed charge on plant and machinery

by way of first fixed charge, all plant and machinery (including those items of plant and machinery, if any, now or in the future owned by it (but not including plant and machinery made subject to a valid legal mortgage or valid fixed charge under clauses 1 1 1 or 1.1.2 of this Appendix nor any chattels mentioned in clause 1.1.4 of this Appendix) and the benefit of all contracts, licences and warranties relating to the same;

1.1.4 First fixed charge on other chattels

by way of first fixed charge, all vehicles, computers (including those vehicles and computers, if any, now or in the future owned by it and its interest in any vehicles and /or computers, in its possession (but not including any such chattels for the time being forming part of the Chargor's stock in trade or work in progress) and the benefit of all contracts, licences and warranties relating to the same,

1 1 5 First fixed charge on Investments

by way of first fixed charge, all Investments together with all Distribution Rights from time to time accruing to or on such Investments;

1.1 6 First fixed charge on Insurances

to the extent that the Insurances and/or the Insurance Proceeds are incapable for any reason of being effectively assigned pursuant to clause 1.2.2 of this Appendix but are capable of being effectively charged, by way of first fixed charge, the Insurances applicable to the Chargor and all Insurance Proceeds either now or in the future held by, written in favour of, or payable to the Chargor or in which the Chargor is otherwise interested;

1.1.7 First fixed charge on Book Debts etc

by way of first fixed charge, all present and future book and other debts, revenues and monetary claims of the Chargor and all rights and claims of whatever nature of the Chargor now or which may at any time be held or enjoyed by it against third parties and against any securities and guarantees in respect of such debts, revenues or claims,

1.1.8 First fixed charge on Bank Balances

by way of first fixed charge, all of its Bank Balances,

1.1.9 First Fixed Charge on Intellectual Property

(to the extent that the Intellectual Property is incapable for any reason of being effectively assigned pursuant to clause 1.2.3 of this Appendix) by way of first fixed charge, all Intellectual Property (if any).

1.1.10 First Fixed Charge on Authorisations, compensation etc

by way of first fixed charge, the benefit of all Authorisations held or utilised by the Chargor in connection with its businesses or the use of any of its assets (to the extent that such Authorisations are capable of being effectively charged) and the right to recover and receive all compensation which may at any time become payable to them in respect of such Authorisations to the extent permitted by the terms of such Authorisations and save in so far as any such Authorisations are effectively subject to any valid assignment to the Security Trustee pursuant to the Debenture; and

1.1.11 First Fixed Charge on goodwill and uncalled capital

by way of first fixed charge, all the goodwill and uncalled capital of the Chargor.

1.2 Assignment by way of security

As further continuing security for the payment of the Secured Obligations the Chargor assigns (to the fullest extent capable of assignment) to the Security Trustee all its rights, title and interest in the following assets:

1.2.1 Assignment of Charged Contracts

the Charged Contracts and also any and all damages, compensation, remuneration, profit, royalties, fees, rent or income which the Chargor may derive from or be awarded or entitled to in respect of the Charged Contracts;

1.2.2 Assignment of Insurances and Insurance Proceeds

the Insurances and the benefit of all Insurance Proceeds;

1.2.3 Assignment of Intellectual Property

the Intellectual Property (if any) together with all damages, compensation, remuneration, profit, royalties, fees, rent or income which the Chargor may derive from or be awarded or entitled to in respect of such Intellectual Property, but in the case of any such assignment of Intellectual Property the Security Trustee shall grant to the Chargor a licence to use such Intellectual Property in the ordinary course of its business and for so long as no Event of Default exists and is continuing upon such terms as may be specified by the Security Trustee;

1.2.4 Assignment of Rental Income

the Rental Income

1.2.5 Assignment of Construction Documentation and Step-In Rights

the Construction Documents and Step-In Rights

1.3 Floating charge

As further continuing security for the payment to the Security Trustee of the Secured Obligations the Chargor hereby charges in favour of the Security Trustee, by way of first floating charge, all its assets and undertakings whatsoever and wheresoever both present and future not effectively charged by way of legal mortgage or fixed charge pursuant to the provisions of clause 1.1 of this Appendix or effectively assigned by way of security pursuant to clause 1.2 of this Appendix, but extending over all of its property, assets, rights and revenues as are situated in Scotland or governed by Scottish law

1.4 Negative pledge

During the Security Period, the Chargor must not create, extend or permit to subsist any security over any of the Secured Assets, nor may it:

- 1 4 1 sell, transfer or otherwise dispose of any of their assets on terms whereby they are or may be leased to or re-acquired by any of the Obligors;
 - 1 4 2 sell, transfer or otherwise dispose of any of its receivables,
 - 1 4 3 enter into any arrangement under which money or the benefit of a bank or other account may be applied, set off or made subject to a combination of accounts, or
 - 1.4.4 enter into any other preferential arrangement having a similar effect,
- in circumstances where the arrangement or transaction is entered into primarily as a method of raising financial indebtedness

1 5 **Exceptions**

Clause 1 4 above does not apply:

- 1 5 1 to the security created or required to be created by the Debenture;
- 1 5 2 to the Permitted Security, nor
- 1 5.3 to any security or transaction to which the Security Trustee has given its written consent.

Appendix 2

Definitions relevant to the form 395 and Appendix 1

"Accession Letter" means a document substantially in the form set out in Schedule 6 of the Facilities Agreement

"Additional Guarantor" means a company which becomes an Additional Guarantor in accordance with Clause 25 of the Facilities Agreement

"Agent" means The Governor and Company of the Bank of Scotland as agent of the other Finance Parties

"Arranger" means The Governor and Company of the Bank of Scotland as mandated lead arranger

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

"Bank Balances" means all monies (including interest) from time to time standing to the credit of any and all present or future accounts which the Chargor has, or has an interest in, with any bank, financial institution, or other person (including the accounts (if any) specified in Schedule 2 of the Debenture and any other cash cover or suspense account

established pursuant to any of the Finance Documents), and all debts represented by any such accounts

"Beneficiaries" shall have the same meaning as in the Intercreditor Agreement

"Borrower" means Piccadilly Hotels 2 Limited a company registered in the Cayman Islands with registered number 174010

"Charged Contracts" means those contracts (if any) brief particulars of which are set out in Schedule 3 of the Debenture

"Construction Documents and Step-In Rights" means those construction documents and step in rights as more particularly defined in Schedule 8 of the Debenture

"Debenture" means the debenture entered into on 10 October 2006 by the companies set out in Schedule 1 thereof and the Governor and Company of the Bank of Scotland

"Discharge Date" means the date with effect from which the Security Trustee confirms to the Chargors that all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full and all relevant commitments of the Beneficiaries cancelled

"Distribution Rights" means:

- (a) all dividends, distributions, interest and other income paid or payable on the relevant Investment or Shares;
- (b) all shares or other property derived from the relevant Investment or Shares (whether by way of conversion, consolidation, subdivision, substitution, redemption, bonus, preference, option or otherwise), and
- (c) all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to the relevant Investment or Shares

"Event of Default" means the occurrence of any of the events or circumstances defined in the Facilities Agreement as an Event of Default

"Facilities Agreement" means a loan agreement dated on or around the date of the Charge and made between (1) Piccadilly Hotels 2 Limited (2) The companies listed in Part 1 of Schedule 1 therein (3) BoS as Arranger (4) various financial institutions listed in Schedule 1 therein (5) BoS as Agent (6) the Security Trustee as Security Trustee (7) HBOS Treasury Services Plc as Hedging Bank and (8) BoS as Guarantor Bank as the same may be varied, amended, modified, supplemented or replaced

"Fee Letter" means any letter or letters dated on or about the date of the Facilities Agreement between the Arranger and the Borrower (or the Agent and the Borrower) setting out any of the fees referred to in Clause 12 of the Facilities Agreement

"Finance Document" means the Facilities Agreement, the Working Capital Facility Letter, any Security Document, the Intercreditor Agreement, any Hedging Arrangements entered into with the Original Hedge Counterparty, any Fee Letter, any Accession, any Resignation Letter, any Transfer Certificate, the Treasury Counter Indemnity and any other document designated as such by the Agent and the Borrower

"Finance Party" means the Agent, the Arranger, the Security Trustee, a Lender, a Hedge Counterparty and the Working Capital Lender and each of them

"Group" means any group of companies for the time being comprising the Chargors, their Subsidiaries, any company of which the Chargors are a Subsidiary and any other Subsidiary of such company

"Guarantor" means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with Clause 25 of the Facilities Agreement

"Hedge Counterparty" means each and any counterparty to the Hedging Arrangements and **"Hedge Counterparties"** shall be construed accordingly

"Hedging Arrangements" means any interest hedging arrangements (including any counter indemnity relating to such arrangements) entered into by the Borrower in connection with interest payable under the Facilities Agreement

"Insurances" means all contracts or policies of insurance of whatever nature which from time to time are taken out or maintained by or on behalf of the Chargors or (to the extent of its relevant interest) in which the Chargors have an interest

"Insurance Proceeds" means the proceeds of any insurance claim received by the Chargors, after deduction of any reasonable expenses incurred in relation to the relevant claim and payable by the Chargors to any person which is not a member of the Group together with the benefit of all bonuses, profits, returns of premium and other benefits of whatever nature arising by virtue of the Chargors' ownership of the Insurances and all interest on any of the foregoing

"Intellectual Property" means all rights in confidential information, copyright and like rights, database rights, design rights, rights in design, knowhow, rights in inventions, patents, service marks, trade marks and all other intellectual property rights and interests, whether registered (or the subject of an application for registration) or unregistered, owned by the Chargors or in which the Chargors have an interest from time to time, and the benefit of the Chargors' applications and rights to use such assets, throughout the world now and in the future

"Intercreditor Agreement" means the intercreditor agreement made between the Finance Parties and the Borrower.

"Investment" means any negotiable instrument, certificate of deposit, debenture, share or other investment (as specified for the purposes of Section 22 of the Financial Services and Markets Act 2000 as at the date of the Debenture) now or in the future owned by the Chargors including (save where the context otherwise requires) the Shares

"Legal Charge" means the legal charge and Standard Security (where appropriate) in the agreed form in favour of the Security Trustee from each of the companies listed in Schedule 12 (*Property*) of the Facilities Agreement

"Lender" means.

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 24 of the Facilities Agreement,

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

"Obligor" means the Borrower or a Guarantor

"Original Guarantors" means the subsidiaries of the Borrower listed in Part A of Part I of Schedule 1 of the Facilities Agreement together with the Borrower

"Original Hedge Counterparty" means HBOS Treasury Services Plc (registered number 2692890) having its registered office at 33 Old Broad Street, London EC2N 1HN

"Original Lender" means the Governor and Company of the Bank of Scotland

"Parent" means Piccadilly Hotels 1 Limited, a company incorporated in the Cayman Islands with company number 174032

"Party" means a party to the Facilities Agreement

"Permitted Security" means all that security permitted in accordance with clause 22.3 (Negative Pledge) of the Facilities Agreement

"Property" means the Real Property from time to time owned by the Chargor or in which the Chargor has an interest together with (in every case) all proceeds of sale deriving from any such Real Property, the benefit of all covenants given in respect of such Real Property and any monies paid or payable in respect of such covenants

"Real Property" means any freehold, leasehold or immovable property and any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of any such property

"Rental Income" means all rental income (if any) received, due or owing as more particularly described in Schedule 7 of the Debenture

"Resignation Letter" means a letter substantially in the form set out in Schedule 7 of the Facilities Agreement

"Secured Assets" means the assets charged, assigned or otherwise the subject of any security created by or pursuant to the Debenture and includes any part or parts of such assets

"Security Documents" means

- (a) the Debenture;
- (b) the Legal Charge,
- (c) the Standard Security,
- (d) the Share Pledge; and
- (e) the Intercreditor Agreement

"Security Period" means the period beginning on the date of the Debenture and ending on the Discharge Date

"Share Pledge" means the share pledge in the agreed form granted or to be granted by the Parent (in respect of the entire issued share capital of the Borrower) in favour of the Security Trustee

"Shares" means all stocks, shares, debentures, bonds, warrants, coupons or other securities now or in the future owned by the Chargors from time to time or any in which it has an interest

"Standard Security" means the standard securities in the agreed form in favour of the Security Trustee from certain Obligors

"Subsidiary" means a subsidiary undertaking within the meaning of section 258 of the Companies Act

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

"Treasury Counter Indemnity" means the counter indemnity granted by the Borrower to the Agent

"Working Capital Facility Letter" means the working capital facility letter dated on or about the date of this Agreement and made between the Working Capital Lender and the Obligors

"Working Capital Lender" means The Governor and Company of the Bank of Scotland.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No 06327034

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF ACCESSION DATED THE 28th AUGUST 2007 AND CREATED BY MENZIES HOTELS PROPERTY NO 24 LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM EACH OF THE OBLIGORS TO THE BENEFICIARIES (OR ANY OF THEM) 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 5th SEPTEMBER 2007

GIVEN AT COMPANIES HOUSE, CARDIFF THE 11th SEPTEMBER 2007

p. Cor



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES