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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

00483582

Name of company

* London LRG Hotel Limited (the "Company")

Date of creation of the charge

20 June 2005

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

A mortgage dated 20 June 2005 (the "Mortgage") granted by the Company in favour of Citicorp Trustee Company Limited (the "Security Trustee").

Amount secured by the mortgage or charge

All present and future obligations and liabilities (whether actual or contingent, whether owed jointly, severally or in any other capacity whatsoever and whether originally incurred by an Obligor or by some other person) of each Obligor covenanted to be discharged by each Obligor to the Senior Finance Parties under the Senior Finance Documents, to the Senior Mezzanine Finance Parties under the Mezzanine Finance Documents and to the RCF Finance Party under the RCF Agreement (or any of them) (including without limitation all obligations covenanted to be discharged by the Company in Clause 2.1 (Covenant to Pay) of the Debenture except for any obligation or liability which, if it were included, would cause that obligation or liability or any of the Security in respect thereof, to be unlawful or prohibited by any applicable law (the "Secured Obligations").

Please see Schedule 1 for a list of definitions used in this Form 395.

UK-393407

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

Citicorp Trustee Company Limited, Citigroup Centre, Canada Square Canary Wharf, London

Postcode E14 5LB

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

Clifford Chance LLP
10 Upper Bank Street
London
E14 5JF
CJXG/C0828/41914/ASXD

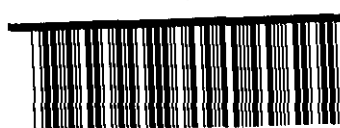
via CH London Counter

Time critical reference

For official Use (02/00)

Mortgage Section

Post room



LD4
COMPANIES HOUSE

0470
28/06/05

Short particulars of all the property mortgaged or charged

Please see Schedule 2.

Please see Schedule 1 for a list of definitions used in this Form 395.

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)

None.

Signed

Clifford Cherevell

Date

27

June 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 situated 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

Schedule 1 to Form 395 dated 27 June 2005
for London LRG Hotel Limited
(registered in England & Wales number 00483582)

1. **SECURITY**

1.1 **Mortgage**

Under the Mortgage, the Company has charged with full title guarantee in favour of the Security Trustee with the payment and discharge of the Secured Obligations, by way of first legal mortgage, the Mortgaged Property.

2. **DEFINED TERMS**

2.1 **In this Form 395 the following terms have the following meanings:**

"**Acceding Company**" means all members of the Group, other than a Dormant Subsidiary that is not a Material Company.

"**Accession Letter**" means a document substantially in the form set out in Schedule 6 (*Form of Accession Letter*) of the Senior Facilities Agreement.

"**Account**" means any account opened or maintained by the Company with the Account Bank, the Security Trustee or any other person (and any replacement account or subdivision or subaccount of that account), the debt or debts represented thereby and all Related Rights.

"**Account Bank**" means HSBC Bank plc.

"**Accounting Principles**" means generally accepted accounting principles in the United Kingdom.

"**Acquisition**" means the acquisition by the Original Borrower of the Target Shares and the Target Assets on the terms of the Acquisition Documents.

"**Acquisition Agreement**" means the sale and purchase agreement in the agreed form dated on or about the date of the Senior Facilities Agreement relating to the sale and purchase of the Target Shares and the Target Assets and made between, amongst others, the Original Borrower and the Vendors.

"**Acquisition Documents**" means:

- (a) the Acquisition Agreement;
- (b) a disclosure letter given in accordance with the Acquisition Agreement;
- (c) Tax Deed;
- (d) any other document designated as an "Acquisition Document" by the Instructing Agent and the Parent.

"Additional Borrower" means a company which becomes a Borrower in accordance with Clause 27 (*Changes to the Obligors*) of the Senior Facilities Agreement.

"Additional Guarantor" means a company which becomes a Guarantor in accordance with Clause 37 (*Changes to the Obligors*) of the Senior Facilities Agreement.

"Affiliate" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"Agent" means the Facility A Agent or the Facility B Agent.

"All-In-Cost" means the aggregate of the purchase price payable (and existing Financial Indebtedness of the Target and its Subsidiaries repayable) by the Parent on the Closing Date under the terms of the Acquisition Agreement for the Target Shares and Target Assets together with all costs and expenses incurred thereto in connection with the Acquisition, being the sum of £1,008,437,280 or such other amount as approved by the Lenders.

"Arranger" means Citigroup Global Markets Limited.

"Asset Management Agreement" means the agreement, in the agreed form, made or to be made between the Asset Manager and the Original Borrower.

"Asset Manager" means Realstar Hotels (UK) Limited and/or its Affiliates or such other asset manager to the Original Borrower as appointed in accordance with the Senior Facilities Agreement.

"Auditors" means PricewaterhouseCoopers.

"Borrower" means the Original Borrower and any Additional Borrower unless it has ceased to be a Borrower in accordance with Clause 27 (*Changes to the Obligors*) of the Senior Facilities Agreement.

"Charged Property" means all the assets and undertaking of the Company which from time to time are the subject of the security created or expressed to be created in favour of the Security Trustee by or pursuant to this Mortgage and any debenture.

"Closing Date" means the date on which Completion occurs.

"Completion" means the completion of the Acquisition in accordance with the Acquisition Agreement and the structure paper entitled "Paper on Structure and Tax Implications" dated March 2005 and prepared by PricewaterhouseCoopers.

"Compliance Certificate" means a certificate substantially in the form set out in Schedule 8 (*Form of Compliance Certificate*) of the Senior Facilities Agreement.

"Debenture" means the debenture dated 20 June 2005 entered into between, inter alia, the Company and the Security Trustee.

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Security Trustee.

"Direct Agreement" means:

- ^a
(e) the agreement in the agreed form between (amongst others) the Operator, the Security Trustee, the Facility A Agent and the Facility B Agent in relation to the Portfolio Management Agreement ("**PMA Direct Agreement**");
- ^b
(f) each agreement in the agreed form between (amongst others) the Operator, the Security Trustee, the Facility A Agent and the Facility B Agent in relation to each Operating Management Agreement ("**OMA Direct Agreement**");
- ^c
(g) the agreement in the agreed form between (amongst others) the Asset Manager, the Security Trustee, the Facility A Agent and the Facility B Agent in relation to the Asset Management Agreement ("**AMA Direct Agreement**"); and
- ^d
(h) any other agreement entered into by a party to an Operating Document with the Security Trustee, in agreed form, and which makes provision for mortgagee protection rights in respect of that Operating Document.

"Dormant Subsidiary" means a member of the Group which does not trade (for itself or as agent for any person) and does not own, legally or beneficially, assets (including indebtedness owed to it) which in aggregate have a value of £50,000 or more or its equivalent in other currencies.

"Employment Services Agreement" means the agreement, in the agreed form, made or to be made between the Asset Manager (or an Affiliate incorporated in England and Wales) and the Original Borrower.

"Facilities Agreements" means the each of the RCF Agreement, the Senior Facilities Agreement and the Mezzanine Facilities Agreement.

"Facility A1 Commitment" means:

- (a) in relation to an Original Facility A Lender, the amount of its Facility A Commitment that is re-designated a Facility A1 Commitment in accordance with Clause 2.5 (*Re-tranching*) of the Senior Facilities Agreement and the amount of any other Facility A1 Commitment transferred to it under the Senior Facilities Agreement; and
- (b) in relation to any other Facility A Lender, the amount of any Facility A1 Commitment transferred to it under the Senior Facilities Agreement,

to the extent not cancelled, reduced or transferred by it under the Senior Facilities Agreement.

"Facility A1 Discharge Date" means the date on which the Facility A Agent certifies that no amount is outstanding in respect of Facility A1 and that there is no outstanding Facility A1 Commitment.

"Facility A1 Liabilities" means the Liabilities owed by the Obligors to the Facility A Lenders under or in connection with the Senior Finance Documents with respect to the Facility A1 Loan.

"Facility A1 Loan" means a loan that has been split or sub-divided or designated as a Facility A1 Loan in accordance with Clause 2.5 (*Re-tranching*) of the Senior Facilities Agreement or the principal amount outstanding for the time being of that loan.

"Facility A2 Commitment" means:

- (a) in relation to an Original Facility A Lender, the amount of its Facility A Commitment that is re-designated a Facility A2 Commitment in accordance with Clause 2.5 (*Re-tranching*) of the Senior Facilities Agreement and the amount of any other Facility A2 Commitment transferred to it under the Senior Facilities Agreement; and
- (b) in relation to any other Facility A Lender, the amount of any Facility A2 Commitment transferred to it under the Senior Facilities Agreement,

to the extent not cancelled, reduced or transferred by it under the Senior Facilities Agreement.

"Facility A2 Discharge Date" means the date on which the Facility A Agent certifies that no amount is outstanding in respect of Facility A2 and that there is no outstanding Facility A2 Commitment.

"Facility A2 Loan" means a Facility A Loan that has been split or sub-divided or designated as a Facility A2 Loan in accordance with Clause 2.5 (*Re-tranching*) of the Senior Facilities Agreement or the principal amount outstanding for the time being of that loan.

"Facility A" means the £650,000,000 term loan facility made available under the Senior Facilities Agreement as described in paragraph (a)(i) of Clause 2.1 (*The Facilities*) of the Senior Facilities Agreement.

"Facility A Agent" means Citibank International PLC.

"Facility A Commitment" means:

- (a) in relation to an Original Facility A Lender, the amount set opposite its name under the heading "Facility A Commitment" in Part II of Schedule 1 (*The Original Parties*) of the Senior Facilities Agreement and the amount of any other Facility A Commitment transferred to it under the Senior Facilities Agreement; and

- (b) in relation to any other Facility A Lender, the amount of any Facility A Commitment transferred to it under the Senior Facilities Agreement,

to the extent not cancelled, reduced or transferred by it under the Senior Facilities Agreement.

"Facility A Lender" means:

- (a) any Original Facility A Lender; and
- (b) any bank, financial institution or other person which has become a Party in accordance with Clause 26 (*Changes to Lenders*) of the Senior Facilities Agreement and is entitled to participate in a Facility A Loan and/or a Facility A Commitment,

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

"Facility A Loan" means a Facility A1 Loan or a Facility A2 Loan made or to be made under Facility A or the principal amount outstanding for the time being of that loan.

"Facility A Discharge Date" means the later of the Facility A1 Discharge Date and the Facility A2 Discharge Date.

"Facility B" means the term loan facility of up to an amount (when aggregated with Facility A) equal to seventy five per cent. of the All-in-Cost available under the Senior Facilities Agreement as described in paragraph (a)(ii) of Clause 2.1 (*The Facilities*) of the Senior Facilities Agreement.

"Facility B Agent" means Citibank International PLC.

"Facility B Commitment" means:

- (a) in relation to an Original Facility B Lender, the amount set opposite its name under the heading "Facility B Commitment" in Part II or Part III of Schedule 1 (*The Original Parties*) of the Senior Facilities Agreement and the amount of any other Facility B Commitment transferred to it under the Senior Facilities Agreement; and
- (b) in relation to any other Facility B Lender, the amount of any Facility B Commitment transferred to it under the Senior Facilities Agreement,

to the extent not cancelled, reduced or transferred by it under the Senior Facilities Agreement,

"Facility B Lender" means:

- (a) any Original Facility B Lender; and

- (b) any bank, financial institution or other person which has become a Party in accordance with Clause 26 (*Changes to Lenders*) of the Senior Facilities Agreement and is entitled to participate in a Facility B Loan and/or a Facility B Commitment,

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

"Facility B Loan" means a loan made or to be made under Facility B or the principal amount outstanding for the time being of that loan.

"Fee Letter" means any letter or letters dated on or about the date of the Senior Facilities Agreement between the Arranger and the Parent (or the Instructing Agent and the Parent or the Security Trustee and the Parent) setting out any of the fees referred to in Clause 2.4(a) (v) (*Extension of Facilities*) or Clause 13 (*Fees*) of the Senior Facilities Agreement.

"Finance Documents" means each of the Intercreditor Agreement, the RCF Finance Documents, the Senior Finance Documents, the Mezzanine Finance Documents, the Security Documents, any agreement evidencing the terms of the Investor Liabilities or the Intra-Group Liabilities and any other document designated as such by the Security Trustee and the Company.

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

- (a) monies 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 the Accounting Principles, 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 Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (h) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise

finance or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 45 days after the date of supply;

- (i) any arrangement pursuant to which an asset sold or otherwise disposed of by that person may be re-acquired by a member of the Group (whether following the exercise of an option or otherwise);
- (j) any amount raised by the issue of redeemable shares;
- (k) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; and
- (l) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (k) above.

"Franchise Agreement" means each of the franchise agreements, in form and substance satisfactory to the Instructing Agent, between the Operator and each Property Owner.

"Group" means the Parent, each Target and each of their respective Subsidiaries for the time being.

"Guarantor" means each Acceding Company and any Additional Guarantor, unless it has ceased to be a Guarantor in accordance with Clause 27 (*Changes to the Obligors*) of the Senior Facilities Agreement.

"Hedge Counterparty" means Citibank, N.A., London Branch any person which accedes to the Senior Facilities Agreement and the Intercreditor Agreement as a Hedge Counterparty.

"Hedge Document" means any document evidencing or relating to any interest or currency rate swap, cap, floor, collar or option transaction or any other treasury transaction or any combination of the same or any other transaction entered into in connection with protection against or benefit from fluctuation in interest or currency rates.

"Hedging Agreement" means any master agreement, confirmation, schedule or other agreement in agreed form entered into or to be entered into by the Original Borrower and Citibank, N.A., London Branch (or any person which accedes to the Senior Facilities Agreement and the Intercreditor Agreement as a hedge counterparty) for the purpose of hedging interest rate liabilities and/or any exchange rate fluctuations in relation to the Term Facilities in accordance with the Hedging Letter delivered to the Instructing Agent under Clause 4.1 (*Initial conditions precedent*) of the Senior Facilities Agreement and the Mezzanine Cap Confirmation dated 20 April 2005 (with transaction reference number SST5593.05) entered into by the Original Borrower and the Hedge Counterparty.

"Hedging Letter" means the Hedging Letter between the Instructing Agent and the Parent in the agreed form dated on or about 10 March 2005 (and executed by the

Parent) describing the hedging arrangements to be entered into in respect of the interest rate liabilities of the Borrowers of the Term Facilities under the Senior Facilities Agreement.

"Holding Company" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"Initial Investors" means:

- (a) Lehman Brothers Real Estate Partners II LRG Holdings LLC and/or Affiliates;
- (b) Realstar International Limited and/or Affiliates; and
- (c) Sterling Hotels Pte Limited and/or Affiliates.

"Instructing Agent" means:

- (a) until the Facility A Discharge Date, the Facility A Agent; and
- (b) thereafter, the Facility B Agent.

"Intercreditor Agreement" means the intercreditor agreement originally dated 10 March 2005 and as amended and restated on 20 May 2005 and made between, amongst others, LGR Acquisition, the other Obligors, the Security Trustee, Citibank International Plc as senior agent, Citibank Global Markets Limited as senior arranger, the Lenders and certain others.

"Intra-Group Lenders" means each member of the Group which has made available a loan to an Obligor and which is named on the signing pages as an Intra-Group Lender or which becomes a party as an Intra-Group Lender in accordance with the terms of Clause 25 (*Change of Party*) of the Intercreditor Agreement.

"Intra-Group Liabilities" means the Liabilities owed by any Obligor to any of the Intra-Group Lenders.

"Intra-Group Loan Agreement" means:

- (a) the loan agreement in the agreed form between the Original Borrower and/or certain other members of the Group pursuant to which those members of the Group have or will make available a facility to the Original Borrower up to a maximum aggregate principal amount not less than the aggregate principal amount of (plus interest on) the Facilities and the Mezzanine Facility; and
- (b) any other agreement that evidences a Structural Intra-Group Loan.

"Investors" mean the Initial Investors and their or any subsequent successors or assigns or transferees.

"Junior Mezzanine Lender" means each Junior Mezzanine Lender as defined in, and party to, the Mezzanine Facilities Agreement.

"Legal Charge" means each legal charge, in form and substance satisfactory to the Security Trustee, entered or to be entered into by an Obligor in favour of the Security Trustee and which are supplemental to the debenture to which that Obligor is a party.

"Lenders" means each of the RCF Lender, the Senior Lenders, the Intra-Group Lenders and the Mezzanine Lenders.

"Liabilities" means all present and future liabilities and obligations at any time of any Obligor to any Lender, Hedge Counterparty or Investor under the Finance Documents, both actual and contingent and whether incurred solely or jointly or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations:

- (a) any refinancing, novation, deferral or extension;
- (b) any claim for damages or restitution; and
- ^c
(b) any claim as a result of any recovery by any Obligor of a payment or discharge on the grounds of preference,

and any amounts which would be included in any of the above but for any discharge, non-provability or unenforceability of those amounts in any insolvency or other proceedings.

"Management Agreement" means the Portfolio Management Agreement or an Operating Management Agreement.

"Margin Letter" means any letter or letters dated on or about the date of the Senior Facilities Agreement between the Arranger and the Parent (or the Instructing Agent and the Parent or the Security Trustee and the Parent) setting out the relevant percentages in relation to the loans under the Senior Facilities Agreement.

"Material Company" means, at any time:

- (a) an Obligor;
- (b) a member of the Group that holds shares in an Obligor or owns or has an interest in any Property; or
- (c) a Subsidiary of the Parent which has gross assets, net assets or turnover (excluding intra-group items) in excess of £50,000.

Compliance with the conditions set out in paragraph (c) shall be determined by reference to the most recent Compliance Certificate supplied by the Parent and/or the latest audited financial statements of that Subsidiary (consolidated in the case of a Subsidiary which itself has Subsidiaries) and the latest audited consolidated financial statements of the Group.

However, if a Subsidiary has been acquired since the date as at which the latest audited consolidated financial statements of the Group were prepared, the financial statements

shall be deemed to be adjusted in order to take into account the acquisition of that Subsidiary (that adjustment being certified by the Group's Auditors as representing an accurate reflection of the gross assets, net assets or turnover of the Group).

A report by the Auditors of the Parent that a Subsidiary is or is not a Material Company shall, in the absence of manifest error, be conclusive and binding on all Parties.

"Mezzanine Facility Agent" means Eurolieum S.à.r.l.

"Mezzanine Facilities Agreement" means the mezzanine facilities agreement originally dated 16 May 2005 as amended and restated on 20 May 2005 made between, *inter alia*, LRG Holdings Limited, LRG Acquisition Limited, the mezzanine lenders and Eurolieum S.à.r.l. as mezzanine facility agent.

"Mezzanine Finance Documents" means the Mezzanine Facilities Agreement, any accession letter under the Mezzanine Facilities Agreement, the Transaction Security Documents, the Intercreditor Agreement, any fee letters setting out any of the fees referred to in the Mezzanine Facilities Agreement, any utilisation request or request relating to the selection of an interest period for a utilisation under the Mezzanine Facilities Agreement and any other document which is designated a **"Mezzanine Finance Document"** or **"Finance Document"** by the Parent and the mezzanine agent under the Mezzanine Facilities Agreement.

"Mezzanine Lenders" means the Senior Mezzanine Lenders and the Junior Mezzanine Lenders.

"Mortgaged Property" means:

- (a) the properties specified in Schedule 1 (*Details of Mortgaged Property*) of the Mortgage and Schedule 2 (*Details of Mortgaged Property*) of this Form 395; and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such property,

and includes all Related Rights.

"Obligor" means a Borrower or a Guarantor.

"Operating Documents" means each of:

- (a) the Asset Management Agreement;
- (b) each Operating Management Agreement;
- (c) the Portfolio Management Agreement;
- (d) the Employment Services Agreement;
- (e) each Franchise Agreement; and

any other agreement entered into by a member of the Group with the Operator, Six Continents Hotels Inc. or any of their Affiliates pursuant to the terms of any other Operating Document.

"Operating Management Agreement" means each of the hotel management agreements, in form and substance satisfactory to the Instructing Agent, between the Operator and each Property Owner appointing the Operator to operate each Property as a hotel.

"Operator" means Intercontinental Hotels Group (Management Services) Limited.

"Original Borrower" means LRG Acquisition Limited.

"Original Facility A Lender" means Citibank, N.A. London Branch.

"Original Facility B Lender" means Citibank, N.A. London Branch.

"Parent" means the Original Borrower.

"Party" means a party to the Senior Facilities Agreement.

"Portfolio Management Agreement" means the portfolio management agreement made between the Operator and the Original Borrower.

"Property" means:

- (a) each of the freehold, heritable or leasehold properties specified in Schedule 7 (*Properties and Allocated Loan Amounts*) of the Senior Facilities Agreement more particularly defined as Mortgaged Property in each Legal Charge or as more particularly defined in any Standard Security; and
- (b) any other present or future freehold, heritable and leasehold property in which an Obligor has an interest,

but any such property shall cease to be included in this definition to the extent only that:

- (i) a Property Owner has disposed of any such property in accordance with Clause 23.15 (*Disposals*) of the Senior Facilities Agreement; or
- (ii) the relevant Property Owner has been released in accordance with Clause 27.8 (*Resignation and release of Security on disposal*) of the Senior Facilities Agreement,

and, in each case, that property is irrevocably released from the Transaction Security.

"Property Owner" means each member of the Group that owns a Property or an interest in a Property.

"RCF" means:

- (a) a revolving credit facility in an amount not exceeding £10,000,000 and in relation to which:
 - (i) the rate of interest is not more than the applicable rate of interest in relation to the Facility A1 Loan; and
 - (ii) the Liabilities rank pari passu with the Facility A1 Liabilities; or
- (b) any other revolving credit facility designated as such by the Security Trustee with the approval of the Facility A Agent, the Facility B Agent and the Mezzanine Facility Agent.

"RCF Agreement" means the agreement pursuant to which the RCF Lender agrees to grant the RCF to certain members of the Group.

"RCF Finance Documents" means the all the documents evidencing or relating to the RCF.

"RCF Finance Party" means the person who has acceded to the Intercreditor Agreement as a RCF Lender in accordance with the provisions thereof and which has granted the RCF to certain members of the Group.

"RCF Lender" means the person who has acceded hereto as a RCF Lender in accordance with the provisions of Clause 3.1 (*Accession of RCF Lender*) of the Senior Facilities Agreement and which has granted the RCF to certain members of the Group.

"Receiver" means a receiver or receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of the Charged Property and that term will include any appointee made under a joint and/or several appointment.

"Related Rights" means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset; and
- (d) any monies and proceeds paid or payable in respect of that asset.

"Resignation Letter" means a letter substantially in the form set out in Schedule 8 (*Form of Resignation Letter*) of the Senior Facilities Agreement.

"Secured Parties" means the Senior Finance Parties, the Senior Mezzanine Finance Parties and the RCF Finance Party and in each case any Receiver or Delegate (as defined in the Senior Facilities Agreements) from time to time party to any of the Senior Finance Documents, the Mezzanine Finance Documents and the RCF Agreement respectively provided that in the case of the Agent and the Lenders such

person is party to or has acceded to the Senior Facilities Agreement, the Mezzanine Facilities Agreement or the RCF Agreement, as the case may be, in accordance with its terms.

"Security" means a mortgage, charge (fixed and/or floating), assignation, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Security Documents" means:

- (a) each of the Transaction Security Documents as defined in the Senior Facilities Agreement;
- (b) any other document entered into at any time by any of the Obligors creating any guarantee, indemnity, Security or other assurance against financial loss in favour of any of the Secured Parties as security for any of the Secured Obligations; and
- (c) any Security granted under any covenant for further assurance in any of the documents set out in paragraphs (a) and (b) above.

"Senior Facilities Agreement" means the senior facilities agreement originally dated 10 March 2005 as amended and restated on 20 May 2005 and entered into between, *inter alia*, LGR Acquisition as original borrower, Citigroup Global Markets Limited as mandated lead arranger and Citibank International plc as agent.

"Senior Finance Document" means:

- (a) the Senior Facilities Agreement;
- (b) any Accession Letter;
- (c) any Direct Agreement;
- (d) the Intra-Group Loan Agreement;
- (e) any Compliance Certificate;
- (f) any Fee Letter;
- (g) any Margin Letter;
- (h) any Hedging Agreement;
- (i) the Intercreditor Agreement;
- (j) any RCF Agreement;
- (k) any Resignation Letter;
- (l) any Transaction Security Document;

- (m) any Utilisation Request; and
- (n) any other document designated as a "Finance Document" by the Instructing Agent and the Parent.

"Senior Finance Party" means the Facility A Agent, Facility B Agent, Arranger, Security Trustee, a Lender or a Hedge Counterparty.

"Senior Lenders" means the Facility A Lenders and the Facility B Lenders.

"Senior Mezzanine Finance Parties" means the Secured Parties (as defined in the Mezzanine Facilities Agreement) from time to time a party to the Mezzanine Finance Documents.

"Senior Mezzanine Lender" means each Senior Mezzanine Lender as defined in, and party to, the Mezzanine Facilities Agreement.

"Standard Security" means, in relation to any Property situated in Scotland, each of the standard securities under Scots law in the form required by the Security Trustee granted or to be granted by each relevant Obligor in favour of the Security Trustee.

"Structural Intra-Group Loans" means the loans made by one member of the Group to another member of the Group specified in the structure paper entitled "Paper on Structure and Tax Implications" dated March 2005 and prepared by PricewaterhouseCoopers.

"Subsidiary" means in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly by the first mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

"Target" means each of Holiday Inn Limited, NAS Cobalt No. 2 Limited, Six Continents Hotels and Holidays Limited and London Forum Hotel Limited.

"Target Assets" means the rights of the Vendors and their Subsidiaries (but excluding the members of the Group) arising under Sellers' Group Contracts (as defined in and in accordance with the terms of the Acquisition Agreement).

"Target Shares" means all of the shares of Target and all warrants and options in respect of the share capital of Target.

"Tax Deed" means the tax deed to be entered into between the Vendor and Parent pursuant to the Acquisition Agreement.

"Term Facility" means Facility A or Facility B.

"Transaction Security" means the Security created or expressed to be created in favour of the Security Trustee pursuant to the Transaction Security Documents.

"Transaction Security Documents" means a debenture in agreed form from each Obligor and LRG Holdings Limited together with any other document entered into by any Obligor or LRG Holdings Limited creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Obligors and/or LRG Holdings Limited under any of the Senior Finance Documents or the Mezzanine Finance Documents.

"Treasury Transactions" means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

"Utilisation Request" means a notice substantially in the relevant form set out in Part I of Schedule 3 (*Requests*) of the Senior Facilities Agreement.

"VAT" means value added tax as imposed by the Value Added Tax Act 1994 and any other tax of a similar fiscal nature whether imposed in the United Kingdom (instead of or in addition to value added tax) or elsewhere from time to time.

"Vendor" means Six Continents PLC and IHC London (Holdings) Limited.

3. **ADDITIONAL INFORMATION**

The Mortgage contains restrictions on the ability of the Company to dispose of the assets charged under the Mortgage or otherwise deal with any part of such assets.

Schedule 2 to Form 395 dated 27 June 2005
for London LRG Hotel Limited
(registered in England & Wales number 00483582)

1. DETAILS OF MORTGAGED PROPERTY

- 1.1 All that leasehold property known as Crowne Plaza Birmingham NEC at National Exhibition Centre, Birmingham, West Midlands registered at the Land Registry with Title Absolute under Title Number WM722535).
- 1.2 All that freehold property known as Crowne Plaza London - Heathrow at land and buildings on the west side of Stockley Road and the north side of Cherry Lane, West Drayton registered at the Land Registry with Title Absolute under Title Number NGL160680.
- 1.3 All that freehold property known as Holiday Inn Brentwood at Brook Street, Brentwood registered at the Land Registry with Title Absolute under Title Number EX323558.
- 1.4 All that freehold property known as Holiday Inn Cambridge at Bridge Road, Impington registered at the Land Registry with Title Absolute under Title Number CB197152.
- 1.5 All that leasehold property known as Holiday Inn Guildford, Egerton Road, Guildford, Surrey registered at the Land Registry with Title Absolute under Title Number SY546878.
- 1.6 All that freehold property known as Holiday Inn Heathrow Airport at Heathrow Airport, London registered at the Land Registry with Title Absolute under Title Number NGL118697.
- 1.7 All that leasehold property known as Holiday Inn Bloomsbury at parts of the basement, the surface of the ground floor, the lift shaft to the basement car park, the first to the fifth floors, the roof, the plant rooms at sixth floor level and the roofs of the plant rooms of the building known as the Bloomsbury Centre Hotel, Coram Street, London registered at the Land Registry with Title Absolute under Title Number NGL145048.
- 1.8 All that freehold property known as Holiday Inn - Kensington Forum at 1 to 23 (odd numbers) Ashburn Place, 97 to 109 (odd numbers) Cromwell Road and gardens on the east side of Ashburn Gardens registered at the Land Registry with Title Absolute under Title Number LN226776.
- 1.9 All that leasehold property known as Holiday Inn Regent's Park at Bolsover Street, London registered at the Land Registry with Title Absolute under Title Number NGL254774.
- 1.10 All that freehold property known as Holiday Inn at Maidenhead at Shoppenhangers Road, Maidenhead SL6 2RA registered at the Land Registry with Title Absolute under Title Number BK49552.

- 1.11 All that freehold property known as Holiday Inn Milton Keynes at Saxon Gate, Milton Keynes registered at the Land Registry with Title Absolute under Title Number BM183247.
- 1.12 All that leasehold property known as the Terrace forming part of Holiday Inn Milton Keynes at Saxon Gate, Milton Keynes registered at the Land Registry with Title Absolute under Title Number BM156838.
- 1.13 All that leasehold property known as Crowne Plaza Leeds being land known as land on the south side of Wellington Street, Leeds registered at the Land Registry with Title Absolute under Title Number WYK410379.
- 1.14 All that leasehold property known as Crowne Plaza Manchester Airport at Ringway Road, Manchester Airport, M90 3NS registered at the Land Registry with Title Absolute under Title Number LA74751.
- 1.15 All that freehold property known as Holiday Inn Ashford at Canterbury Road, Ashford registered at the Land Registry with Title Absolute under Title Number K278847.
- 1.16 All that freehold property known as Holiday Inn Aylesbury at Aston Clinton Road, Aylesbury registered at the Land Registry with Title Absolute under Title Number BM254556.
- 1.17 All that leasehold property known as Holiday Inn Basildon at Pipp's Hill Road South Basildon registered at the Land Registry with Good Leasehold Title under Title Number EX303185.
- 1.18 All that freehold property known as Holiday Inn Basingstoke at Basingstoke, Hampshire registered at the Land Registry with Title Absolute under Title Number HP409818.
- 1.19 All that freehold property known as Holiday Inn Bexley at Southwold Road, Bexley DA5 1ND registered at the Land Registry with Title Absolute under Title Number SGL103988.
- 1.20 All that freehold property known as Holiday Inn Birmingham City at the site of the former Church of St Jude, St Judes Passage registered at the Land Registry with Title Absolute under Title Number WK181110.
- 1.21 All that freehold property known as Holiday Inn (Birmingham City) at north side of St Judes Passage registered at the Land Registry with Title Absolute under Title Number WM76126.
- 1.22 All that leasehold property known as part of Albany Hotel, Queensway registered at the Land Registry with Title Absolute under Title Number WK208751.
- 1.23 All that leasehold property known as Holiday Inn (Birmingham City) in St Judes Passage registered at the Land Registry with Title Absolute under Title Number WM110046.

- 1.24 All that leasehold property known as Holiday Inn (Birmingham City) at land on the south side of St Judes Passage registered at the Land Registry with Title Absolute under Title Number WK172709.
- 1.25 All that freehold property known as Holiday Inn Birmingham M6 J7 at Chapel Lane, Great Barr registered at the Land Registry with Title Absolute under Title Number WM371964.
- 1.26 All that leasehold property known as Holiday Inn Bolton at Beaumont Road, Bolton BL3 4TA registered at the Land Registry with Title Absolute under Title Number GM876460.
- 1.27 All that freehold property known as Holiday Inn Bristol - Filton at Conifers, Filton Road, Hambrook BS16 1QG registered at the Land Registry with Title Absolute under Title Number AV194979.
- 1.28 All that freehold property known as Holiday Inn Bristol - Filton at Conifers, Filton Road, Hambrook BS16 1QG registered at the Land Registry with Title Absolute under Title Number GR229008.
- 1.29 All that freehold property known as Holiday Inn Bristol - Filton at Conifers, Filton Road, Hambrook BS16 1QG registered at the Land Registry with Title Absolute under Title Number AV233027.
- 1.30 All that freehold property known as Holiday Inn Bristol - Filton at Conifers, Filton Road, Hambrook BS16 1QG registered at the Land Registry with Title Absolute under Title Number AV194981.
- 1.31 All that leasehold property known as Holiday Inn Cardiff City at Cowbridge Road East registered at the Land Registry with Title Absolute under Title Number WA299317.
- 1.32 All that leasehold property known as Holiday Inn Cardiff North at Church Road, Pentwyn, Cardiff CF10 1XD registered at the Land Registry with Good Leasehold Title under Title Number CYM2714.
- 1.33 All that leasehold property known as Holiday Inn Carlisle at Kingston Road registered at the Land Registry with Title Absolute under Title Number CU69108.
- 1.34 All that freehold property known as Holiday Inn Chester South at Wrexham Road, Ecclestone CH4 9DQ registered at the Land Registry with Title Absolute under Title Number CH390982.
- 1.35 All that freehold property known as Holiday Inn Chester South at Wrexham Road, Ecclestone CH4 9DQ registered at the Land Registry with Title Absolute under Title Number CH296907.
- 1.36 All that freehold property known as Holiday Inn Chester South at Wrexham Road, Ecclestone CH4 9DQ registered at the Land Registry with Title Absolute under Title Number CH110818.

- 1.37 All that freehold property known as Holiday Inn Colchester registered at the Land Registry with Title Absolute under Title Number EX399231.
- 1.38 All that freehold property known as Holiday Inn Coventry at Hinkley Road, Walsgrave, registered at the Land Registry with Title Absolute under Title Number WK331188.
- 1.39 All that freehold property known as Holiday Inn Coventry at Hinkley Road, Walsgrave, registered at the Land Registry with Title Absolute under Title Number WK331187.
- 1.40 All that freehold property known as Holiday Inn Derby/Nottingham at Bostock Lane, Sandiacre registered at the Land Registry with Title Absolute under Title Number DY205335.
- 1.41 All that leasehold property known as Holiday Inn Eastleigh at Leigh Road, Eastleigh registered at the Land Registry with Title Absolute under Title Number HP289984.
- 1.42 All that leasehold property known as Holiday Inn - Fareham at St Margaret's Roundabout, Southampton Road, Titchfield registered at the Land Registry with Title Absolute under Title Number HP438631.
- 1.43 All that freehold property known as Holiday Inn Hotel at Lynchford Road, Farnborough registered at the Land Registry with Title Absolute under Title Number HP347356.
- 1.44 All that freehold property known as 4, 6 and 8 Farnborough Road, Farnborough registered at the Land Registry with Title Absolute under Title Number HP524145.
- 1.45 All that leasehold property known as Holiday Inn Gatwick at Povey Cross Road, Gatwick, Surrey registered at the Land Registry with Title Absolute under Title Number SY574001.
- 1.46 All that leasehold property known as Holiday Inn Gloucester at Gilpin Avenue registered at the Land Registry with Title Absolute under Title Number GR60043.
- 1.47 All that freehold property known as Holiday Inn Hotel, Lodge Land, Haydock registered at the Land Registry with Title Absolute under Title Number MS368448.
- 1.48 All that freehold property known as land and buildings on the east side of Lodge Lane, Haydock registered at the Land Registry with Title Absolute under Title Number MS254554.
- 1.49 All that freehold property known as Holiday Inn Hotel at Bath Road, Harlington registered at the Land Registry with Title Absolute under Title Number AGL55447.
- 1.50 All that leasehold property known as Holiday Inn Hemel Hempstead at Breakspear Way, Hemel Hempstead registered at the Land Registry with Good Leasehold Title under Title Number HD362101.

- 1.51 All that leasehold property known as Holiday Inn High Wycombe at Crest Road, Handy Cross, High Wycombe registered at the Land Registry with Title Absolute under Title Number BM152754.
- 1.52 All that leasehold property known as Holiday Inn Hull Marina at Castle Street, Kingston Upon Hull registered at the Land Registry with Title Absolute under Title Number HS148908.
- 1.53 All that freehold property known as Holiday Inn Ipswich at London Road, Sproughton, Ipswich registered at the Land Registry with Title Absolute under Title Number SK164428.
- 1.54 All that freehold property known as Holiday Inn Lancaster at Caton Road, Lancaster registered at the Land Registry with Title Absolute under Title Number LA731319.
- 1.55 All that freehold property known as Holiday Inn Leeds-Brighouse at land on the northeast side of Wakefield Road, Brighouse registered at the Land Registry with Title Absolute under Title Number WYK391163.
- 1.56 All that freehold property known as Holiday Inn Bradford at North East of Leeds Road, Bramhope registered at the Land Registry with Title Absolute under Title Number WYK361015.
- 1.57 All that leasehold property known as Holiday Inn Bradford at Bramhope registered at the Land Registry with Good Leasehold Title under Title Number WYK361014.
- 1.58 All that leasehold property known as Holiday Inn Leicester at Saint Nicholas Circle, Leicester registered at the Land Registry with Title Absolute under Title Number LT57900.
- 1.59 All that freehold property known as Holiday Inn Leicester West at the junction of Narborough Road and Braunstone Lane East registered at the Land Registry with Title Absolute under Title Number LT123747.
- 1.60 All that freehold property known as Holiday Inn, Brent Cross being land on the south side of Tilling Road and the north side of Tempelhof Avenue, Brent Cross registered at the Land Registry with Title Absolute under Title Number NGL695276.
- 1.61 All that leasehold property known as Holiday Inn, Hampstead at 215, Haverstock Hill, Hampstead registered at the Land Registry with Good Leasehold Title under Title Number NGL156625.
- 1.62 All that unregistered leasehold property known as Holiday Inn Mayfair at 3 Berkeley Street, London W1 as more particularly described in a Lease comprising the Root of Title dated 20 April 2000 made between CGU Life Assurance Limited (1) and Bass Hotels & Resorts (UK) Limited (2).
- 1.63 All that leasehold property known as Holiday Inn Sutton at Cheam Road, Sutton registered at the Land Registry with Title Absolute under Title Number SGL530893.

- 1.64 All that freehold property known as Holiday Inn Maidstone at London Road, Wrotham Heath, Sevenoaks, TN15 7RS registered at the Land Registry with Title Absolute under Title Number K99811.
- 1.65 All that leasehold property known as Holiday Inn Newcastle City at New Bridge Street, Newcastle upon Tyne registered at the Land Registry with Title Absolute under Title Number TY67493.
- 1.66 All that freehold property known as Holiday Inn Norwich at Hall Road, Norwich registered at the Land Registry with Title Absolute under Title Number NK291172.
- 1.67 All that leasehold property known as Holiday Inn Oxford at Oxford (Peartree) Service Area, Oxford registered at the Land Registry with Title Absolute under Title Number ON240389.
- 1.68 All that freehold property known as Holiday Inn Peterborough at London Road, Norman Cross registered at the Land Registry with Title Absolute under Title Numbers CB121803, CB180813 and CB163436.
- 1.69 All that leasehold property known as Holiday Inn Portsmouth at Pembroke Road, Pembroke Park, Southsea registered at the Land Registry with Title Absolute under Title Number HP259590.
- 1.70 All that freehold property known as Holiday Inn Reading South at Basingstoke Road, Reading registered at the Land Registry with Title Absolute under Title Number BK91391.
- 1.71 All that freehold property known as Holiday Inn Rochester at the west side of Maidstone Road, Chatham registered at the Land Registry with Title Absolute under Title Number K826944.
- 1.72 All that freehold property known as Holiday Inn Rugby at Crick, Rugby, Northamptonshire registered at the Land Registry with Title Absolute under Title Number NN184536.
- 1.73 All that freehold property known as Holiday Inn Runcorn at Wood Lane, Runcorn registered at the Land Registry with Title Absolute under Title Number CH409361.
- 1.74 All that freehold property known as Holiday Inn South Mimms at Wash Lane, South Mimms registered at the Land Registry with Title Absolute under Title Number HD84061. All that freehold property known as Holiday Inn South Mimms at Wash Lane, South Mimms registered at the Land Registry with Title Absolute under Title Number HD314012.
- 1.75 All that leasehold property known as Holiday Inn Southampton at Herbert Walker Avenue, Southampton registered at the Land Registry with Good Leasehold Title under Title Number HP187263.

- 1.76 All that freehold property known as Holiday Inn Stoke on Trent at Clayton Road, Clayton, Newcastle-Under-Lyme registered at the Land Registry with Title Absolute under Title Number SF225403.
- 1.77 All that leasehold property known as Holiday Inn Swindon at Marlborough Road, Swindon as more particularly described in a Lease comprising the Root of Title dated 2 June 1972 made between The Mayor Aldermen and Burgesses of the Borough of Swindon (1) and Leased Hotels Limited (2).
- 1.78 All that freehold property known as Holiday Inn Taunton at the North Side of Ilminster Road, Taunton registered at the Land Registry with Title Absolute under Title Number ST61081.
- 1.79 All that freehold property known as Holiday Inn Taunton at the North Side of Ilminster Road, Taunton registered at the Land Registry with Title Absolute under Title Number ST57639.
- 1.80 All that freehold property known as Holiday Inn Wakefield at Wakefield Road, Wakefield, West Yorkshire registered at the Land Registry with Title Absolute under Title Number WYK93190.
- 1.81 All that freehold property known as Holiday Inn Warrington at Woolston, Warrington, Cheshire registered at the Land Registry with Title Absolute under Title Number CH325746.
- 1.82 All that freehold property known as Holiday Inn Washington at Emerson, Washington, Sunderland registered at the Land Registry with Title Absolute under Title Number TY271158.
- 1.83 All that leasehold property known as Holiday Inn York at Tadcaster Road, York registered at the Land Registry with Title Absolute under Title Number NYK182519.

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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. 00483582

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A MORTGAGE DATED THE 20th JUNE 2005 AND CREATED BY LONDON LRG HOTEL LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM EACH OBLIGOR TO THE SENIOR FINANCE PARTIES, THE SENIOR MEZZANINE FINANCE PARTIES AND THE RCF FINANCE PARTY (OR ANY OF THEM) ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 28th JUNE 2005.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 1st JULY 2005.

LC Angela



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES