

# M

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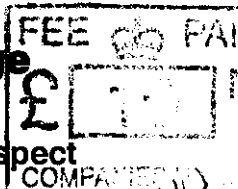
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legibly, preferably  
in black type, or  
bold block lettering

\* insert full name  
of Company

## COMPANIES FORM No. 395

### Particulars of a mortgage or charge

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



# 395

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number



00806836

Name of company

\* PALMHALL GROUP LIMITED ("the Company")

Date of creation of the charge

23rd October, 2000

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

Debenture (the "Debenture") dated 23rd October, 2000 between Bourne Leisure Limited, the Company and the other chargors named therein (the "Chargors") and the Security Agent (as defined below).

Amount secured by the mortgage or charge

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to the Lenders (or any of them) under each or any of the Senior Finance Documents and the Mezzanine Finance Documents together with all costs, charges and expenses properly incurred by any Lender in connection with the protection, preservation or enforcement of its respective rights under the Senior Finance Documents or the Mezzanine Finance Documents (as the case may be) or any other document evidencing or securing any such liabilities, PROVIDED THAT no obligation or liability shall be included to the extent that, if it were so included, the Debenture (or any part thereof) would constitute unlawful financial assistance within the meaning of Sections 151 and 152 of the Companies Act 1985 (the "Secured Liabilities").

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

Barclays Bank PLC, 5 the North Colonnade, Canary Wharf, London (as security agent and trustee for the Lenders (as defined below))

Postcode E14 4BB

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

Allen & Overy  
One New Change  
London  
EC4M 9QQ

BK:805096/BK:805102

Time critical reference

For official Use  
Mortgage Section

Post room



LD5  
COMPANIES HOUSE

0479  
09/11/00

Please see continuation sheet No. 1.

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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

Signed

*Allen A Overy*

Date

*9th November, 2000*

On behalf of [company] [mortgagee/chargee] †

**A fee of £10 is  
payable to  
Companies House  
in respect of each  
register entry for a  
mortgage or  
charge.  
(See Note 5)**

† delete as  
appropriate

## Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
  - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
  - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-  
Companies House, Crown Way, Cardiff CF4 3UZ

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1. Pursuant to the terms of the Debenture, the Company with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 as security for the payment, discharge and performance of all Secured Liabilities at any time owed or due to the Lenders (or any of them), charged in favour of the Security Agent (as agent and trustee for the Lenders):
  - (a) by way of a first legal mortgage (save to the extent charged under the Scottish Security, if at all) all the property (if any) now belonging to it and specified in Schedule B to this Companies form M395, together with all buildings and Fixtures thereon, the proceeds of sale of all or any part thereof and the benefit of any covenants for title given or entered into by any predecessor in title and any moneys paid or payable in respect of such covenants subject, in the case of any leasehold properties, to any necessary third party's consent to such mortgage being obtained;
  - (b) by way of first legal mortgage (save to the extent charged under the Scottish Security, if at all) all estates or interests in any freehold or leasehold property and any rights under any licence or other agreement or document which gives any Chargor a right to occupy or use property (except any Security Assets specified in paragraph (a) above) wheresoever situate now belonging to it together with all buildings and Fixtures thereon, the proceeds of sale of all or any part thereof and the benefit of any covenants for title given or entered into by any predecessor in title and any moneys paid or payable in respect of such covenants subject, in the case of any leasehold properties, to any necessary third party's consent to such mortgage being obtained;
  - (c) by way of first fixed charge (in each case save to the extent charged under the Scottish Security, if at all):
    - (i) (to the extent that the same are not the subject of a mortgage under Clauses 4.1(a) and (b) of the Debenture) all present and future estates or interests in any freehold or leasehold property and any rights under any licence or other agreement or document which gives any Chargor a right to occupy or use property, wheresoever situate now or hereafter belonging to it together with all buildings and Fixtures thereon, the proceeds of sale of all or any part thereof and the benefit of any covenants for title given or entered into by any predecessor in title and any moneys paid or payable in respect of such covenants, subject, in the case of any leasehold properties, to any necessary third party's consent to such charge being obtained;
    - (ii) all plant, machinery, computers and vehicles now or in the future owned by it and, subject to any necessary third party's consent to such charge being obtained, its interest in any plant, machinery, computers or vehicles in its possession other than any for the time being part of such Chargor's stock in trade or work in progress;
    - (iii) all moneys (including interest) from time to time standing to the credit of each of its present and future accounts (including, without limitation, the Security Accounts) with any bank, financial institution or other person and the debts represented thereby, provided that without prejudice to any other provision of Clause 4 of the Debenture, any such monies paid out of such accounts without breaching the terms of the Senior Finance Documents or the

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Mezzanine Finance Documents and not paid into another such account in the name of a Chargor shall be released from the fixed charge effected by this sub-paragraph (iii) of Clause 4.1(c) of the Debenture upon the proceeds being so paid out;

- (iv) (to the extent not effectively assigned under Clause 4.3 of the Debenture) all benefits in respect of the Insurances and all claims and returns of premiums in respect thereof;
- (v) all of its present and future book and other debts, all other moneys due and owing to it or which may become due and owing to it at any time in the future and the benefit of all rights, securities and guarantees of any nature whatsoever now or at any time enjoyed or held by it in relation to any of the foregoing including in each case the proceeds of the same, provided that without prejudice to any other provision of Clause 4 of the Debenture (and in particular but without limitation to sub-paragraph (iii) of Clause 4.1(c) of the Debenture) such proceeds shall be released automatically from the fixed charge effected by sub-paragraph (v) of Clause 4.1(c) of the Debenture upon those proceeds being credited to any Security Account;
- (vi) (to the extent that the same do not fall within any other sub-paragraph of Clause 4.1(c) of the Debenture and are not effectively assigned under Clause 4.3 of the Debenture) all of its rights and benefits under each of the Relevant Agreements, all bills of exchange and other negotiable instruments held by it, and (subject to any necessary third party's consent to such charge being obtained) any distributorship or agreement for the licensing of Intellectual Property Rights or similar agreements entered into by it and any letters of credit issued in its favour;
- (vii) any beneficial interest, claim or entitlement of it to any assets of any pension fund;
- (viii) its present and future goodwill;
- (ix) the benefit of all present and future licences, permissions, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any of the Security Assets specified in paragraphs (a) and (b) and sub-paragraph (i) above and the right to recover and receive all compensation which may at any time become payable to it in respect thereof;
- (x) its present and future uncalled capital;
- (xi) all its present and future Intellectual Property Rights (including, without limitation, any rights and interest of any Chargor in those patents and trade marks and designs and domain names, if any, specified in Schedule C of this Companies Form M395, owned by it, subject to any necessary third party's consent to such charge being obtained. To the extent that any such Intellectual Property Rights are not capable of being charged (whether by reason of lack of any such consent as aforesaid or otherwise) and, if the same is required, pending the grant of any such consent as aforesaid or otherwise

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the charge thereof purported to be effected by Clause 4.1(c)(xi) of the Debenture shall operate as an assignment of any and all damages, compensation, remuneration, profit, rent or income which any Chargor may derive therefrom or be awarded or entitled to in respect thereof, as continuing security for the payment, discharge and performance of the Secured Liabilities; and

- (xii) all stocks, shares, debentures, bonds, warrants, coupons or other securities and investments (including, without limitation, all Cash Equivalent Investments) now or in the future owned by any or (when used in relation to a particular Chargor) that Chargor from time to time not charged pursuant to Clause 4.2 of the Debenture.

2. Pursuant to the terms of the Debenture, the Chargor as continuing security for the payment, discharge and performance of all the Secured Liabilities at any time owed or due to the Lenders (or any of them):

- (a) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, mortgaged and charged and agreed to mortgage and charge to the Security Agent (as agent and trustee for the Lenders) all Group Shares other than shares in companies incorporated in Scotland held now or in the future by it and/or any nominee on its behalf, the same to be a security by way of a first mortgage;
- (b) pledged and assigned and agreed to pledge and assign to the Security Agent (as agent and trustee for the Lenders) all Group Shares in companies incorporated in Scotland; and
- (c) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, mortgaged, charged and assigned and agreed to mortgage, charge and assign to the Security Agent (as agent and trustee for the Lenders) all the Related Rights accruing to all or any of the Group Shares held now or in the future by it and/or any nominee on its behalf, the same to be a security by way of a first mortgage or charge or, if such Related Rights derive from shares in a company incorporated in Scotland, by way of assignation,

PROVIDED THAT:

- (i) whilst no Declared Default exists, all dividends and other distributions paid or payable as referred to in paragraph (c) above may be paid directly to the relevant Chargor (in which case the Security Agent or its nominee shall promptly execute any necessary dividend mandate) and, if paid directly to the Security Agent, shall be paid promptly by it to the relevant Chargor;
- (ii) whilst no Declared Default exists, the Security Agent shall use all its reasonable endeavours promptly to forward to the relevant Chargor all notices, correspondence and/or other communications it receives in relation to the Group Shares; and
- (iii) subject to Clause 10.2 of the Debenture, whilst no Declared Default exists, all voting rights attaching to the relevant Group Shares may be exercised by the

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relevant Chargor or, where the shares have been registered in the name of the Security Agent or its nominee, as the relevant Chargor may direct in writing, and the Security Agent and any nominee of the Security Agent in whose name such Group Shares are registered shall execute any form of proxy or other document reasonably required in order for the relevant Chargor to do so.

3(a) The Company with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, as continuing security for the payment, discharge and performance of the Secured Liabilities at any time owed or due to the Lenders (or any of them), assigned and agreed to assign to the Security Agent (as agent and trustee for the Lenders) all its right, title and interest (if any) in and to:

- (i) the Insurances;
- (ii) the Hedging Agreements;
- (iii) the Sale and Purchase Agreement; and
- (iv) the Intra-Group Credit Agreements.

(b) To the extent that any such right, title and interest described in paragraphs (a) and (b) of Clause 4.3 of the Debenture is not assignable or capable of assignment, the assignment thereof purported to be effected by Clause 4.3(a) of the Debenture operates as:

- (i) in the case of the Insurances, an assignment of any and all proceeds of the Insurances received by each Chargor; and
- (ii) in the case of the other Relevant Agreements, an assignment of any and all damages, compensation, remuneration, profit, rent or income which any Chargor may derive therefrom or be awarded or entitled to in respect thereof,

in each case as continuing security for the payment, discharge and performance of the Secured Liabilities at any time owed or due to the Lenders (or any of them).

(c) Whilst no Declared Default exists (i) the Security Agent shall permit the relevant Chargor to exercise its rights under any Relevant Agreement to which it is party, PROVIDED THAT the exercise of these rights in the manner proposed would not result in a Default under the terms of the Senior Finance Documents or the Mezzanine Finance Documents (as the case may be), and (ii) any payments received by the Security Agent under or in respect of the Relevant Agreements by virtue of the Debenture shall be paid by the Security Agent to the relevant Chargor save to the extent required by the terms of the Senior Facility Agreement, the Mezzanine Facility Agreement or, as the case may be, the Priority Agreement to be applied against any of the Secured Liabilities which are then due and payable (or as a result of such receipt become due and payable).

4(a) The Company with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, as security for the payment, discharge and performance of the Secured Liabilities, charged (save to the extent charged under the Scottish Security, if at all) in favour of the Security Agent (as agent and trustee for the Lenders) by way of a first floating charge

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- all its undertaking and assets whatsoever and wheresoever both present and future, subject always to all mortgages, fixed charges and assignments created by or pursuant to Clause 4 of the Debenture or any other provision of the Debenture.
- (b) Pursuant to the terms of the Debenture, the Security Agent may by notice in writing to any Chargor convert the floating charge created into a specific charge as regards all or any of such Chargor's assets, rights and property specified in the notice:
- (i) if a Declared Default has occurred and is continuing; or
  - (ii) if the Security Agent (acting in good faith) considers such assets, rights or property to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in immediate jeopardy; or
  - (iii) if the Security Agent (acting in good faith) becomes aware or has reason to believe that steps have been taken which, in the opinion of the Security Agent acting reasonably, are reasonably likely to lead to the presentation of a petition to appoint an administrator in relation to such Chargor (or such administrator has been appointed) or to wind up such Chargor or that any such petition has been presented, which in the opinion of the Security Agent acting reasonably is reasonably likely to result in the winding up of such Chargor or the appointment of such administrator; or
  - (iv) if such Chargor fails to comply, or takes or threatens to take any action which in the reasonable opinion of the Security Agent is likely to result in it failing to comply with its obligations under Clause 5.2 of the Debenture.
- (c) Pursuant to the terms of the Debenture, the floating charge created shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge over the assets, rights and property of any Chargor on the convening of any meeting of the members of such Chargor to consider a resolution regarding whether to wind such Chargor up.
- (d) Pursuant to the terms of the Debenture, the giving by the Security Agent of a notice pursuant to Clause 5.3(a) of the Debenture in relation to any class of any Chargor's assets, rights and property shall not be construed as a waiver or abandonment of the Security Agent's rights to give other similar notices in respect of any other class of assets or of any other of the rights of the Lenders (or any of them) under the Debenture or under any of the other Senior Finance Documents and/or Mezzanine Finance Documents.
5. The Company undertook to each Lender that, save as permitted under the terms of the Debenture and as expressly permitted under Clause 22.3(a) of the Senior Facility Agreement and Clause 20.3(a) of the Mezzanine Facility Agreement it will not:
- (i) create or permit to subsist any Encumbrance over all or any of its assets, rights or property other than pursuant to the Debenture or any other Security Document; or
  - (ii) part with, lease, sell, transfer, assign or otherwise dispose of or agree to part with, lease, sell, transfer, assign or otherwise dispose of all or any part of its assets, rights or property or any interest therein.

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The terms used in this Companies Form M395 have the meanings set out below:

"Accession Agreement" means:

- (a) an agreement substantially in the form of Schedule E Part I of the Senior Facility Agreement made, when designated "Borrower", pursuant to Clause 19.1 of the Senior Facility Agreement (a "Borrower Accession Agreement") or, when designated "Guarantor", pursuant to Clause 19.2 of the Senior Facility Agreement or Clause 17.1 of the Mezzanine Facility Agreement (a "Guarantor Accession Agreement"); and
- (b) an agreement substantially in the form of Schedule E Part II of the Senior Facility Agreement, when designated "Documentary Credit Bank".

"Account Bank" means each of the banks or financial institutions with whom the Security Accounts are maintained from time to time pursuant to Clause 11 of the Debenture.

"Acquired Assets" means all of the issued shares in the capital of the Targets, the B Business, the Transfer Properties, the RHD Assets and all other assets to be acquired by the Company, Bourne Leisure Limited and Melesey Limited pursuant to the Acquisition Agreements, all as more particularly described in the Acquisition Agreements.

"Acquisition" means the acquisition of the Acquired Assets by the Company, Bourne Leisure Limited and Melesey Limited provided for in the Acquisition Agreements.

"Acquisition Agreements" means:

- (a) the Sale and Purchase Agreements; and
- (b) the tax deed dated on or about the 27th September, 2000 between the persons referred to in Schedule 1 thereto as covenantors and Bourne Leisure Holdings Limited.

"Additional Borrower" means:

in relation to the Senior Facility Agreement, any entity which becomes party to the Senior Facility Agreement as a Borrower pursuant to a Borrower Accession Agreement.

"Additional Guarantor" means

- (a) in relation to the Senior Facility Agreement, any entity which becomes party to the Senior Facility Agreement as a Guarantor pursuant to a Guarantor Accession Agreement; and
- (b) in relation to the Mezzanine Facility Agreement, any entity which becomes party to the Mezzanine Facility Agreement as a Guarantor pursuant to a Guarantor Accession Agreement; and

"Additional Liabilities" in relation to any obligation or liability means:

- (a) any refinancing (in respect of the Senior Debt, within the parameters set out in Clause 19.4 of the Priority Agreement), novation (not being a transfer permitted by the

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Finance Documents), refunding, deferral or extension of any of those obligations or liabilities;

- (b) any permitted further advance which may be made under any agreement supplemental to any relevant agreement plus all interest, fees and costs in connection therewith;
- (c) any claim for damages or restitution in the event of rescission of any such obligations or liabilities or otherwise in connection with any relevant agreement;
- (d) any claim against any Obligor flowing from any recovery by an Obligor or a receiver or liquidator thereof of a payment or discharge in respect of those obligations or liabilities on the grounds of preference or otherwise; and
- (e) any amounts (such as post-insolvency interest) which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings.

"Ancillary Bank" means any Bank which becomes an Ancillary Bank pursuant to Clause 6 of the Senior Facility Agreement.

"Ancillary Commitment" means, in relation to any Ancillary Bank, the maximum principal amount which it has agreed to make available from time to time under an Ancillary Facility and which has been authorised as such under Clause 6 of the Senior Facility Agreement, to the extent not cancelled or reduced.

"Ancillary Facility" means any ancillary facility referred to in or established pursuant to Clause 6 of the Senior Facility Agreement.

"Arranger" means Barclays Capital as arranger of the facilities to be provided under the Senior Facility Agreement.

"Assignment" means the assignment by way of security dated 23rd October, 2000 between Bourne Leisure Holdings Limited and the Security Agent.

"B Business" means the business carried on by Butlins Limited at the Effective Date, excluding the Butlins Excluded Business, and more closely defined in Schedule 11 to the Rank Sale and Purchase Agreement.

"Bank" means:

- (a) each bank, financial institution, trust, fund or other entity whose name is set out in Schedule B of the Senior Facility Agreement;
- (b) each bank, financial institution, trust, fund or other entity to which rights and/or obligations under the Senior Facility Agreement are assigned or transferred in accordance with Clause 30 of the Senior Facility Agreement or which assumes rights and obligations pursuant to a Substitution Certificate; and
- (c) any successor or successors in title to any of the foregoing,

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provided that upon (i) termination in full of all the Commitments of any Bank, and (ii) irrevocable payment in full of all amounts which may be or become payable to such Bank under the Senior Finance Documents, such Bank shall not be regarded as being a Bank for the purposes of determining whether any provision of any of the Senior Finance Documents requiring consultation with or the consent or approval of or instructions from the Banks or any of them or the Majority Banks has been complied with.

"Borrower" means:

- (a) in relation to the Senior Facility Agreement, each entity identified as a Borrower in Schedule A Part I of the Senior Facility Agreement and each Additional Borrower (together, the "Borrowers") and when designated "Tranche 1", "Tranche 2", "Tranche 3" or "Tranche 4", means a Borrower designated as such in Schedule A Part I of the Senior Facility Agreement or in the Borrower Accession Agreement by which it becomes a party to the Senior Facility Agreement; and
- (b) in relation to the Mezzanine Facility Agreement, Bourne Leisure Limited.

"Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London; and

- (a) in relation to a day for the payment of or other transaction involving a sum denominated in an Optional Currency, the principal financial centre in the country of that Optional Currency; and
- (b) in relation to a day for the payment of or other transaction involving a sum denominated in Euro, a TARGET Day.

"Butlins Excluded Business" means the business known as "Hard Rock" carried on by Butlins Limited in Edinburgh, Scotland.

"Cash Equivalent Investments" means:

- (a) debt securities denominated in Sterling issued by the Government of the United Kingdom having not more than three months to final maturity and not convertible into any other form of security;
- (b) debt securities denominated in Sterling or an Optional Currency which have not more than three months to final maturity, are not convertible into any other form of security, are rated P1 by Moody's Investor Services Inc. or A-1 by Standard & Poor's Corporation and are not issued or guaranteed by any member of the Group;
- (c) certificates of deposit denominated in Sterling or an Optional Currency having not more than three months to final maturity issued by a bank incorporated in or having a branch in the United Kingdom, provided that such bank has been approved for the purposes of this definition by the Facility Agent; and
- (d) such other securities (if any) as are approved as such in writing by the Facility Agent.

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"Closing" means the completion of the Acquisition pursuant to the Acquisition Agreements and the completion of the steps set out in paragraphs 2 and 7 of the Structure Memorandum and of the steps set out in the Funds Flow Statement.

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

"Collateral Account" means each account maintained from time to time by a Chargor at such branch of the Account Bank as the Security Agent and the Company may from time to time agree.

"Commitment" in relation to a Bank means:

- (a) when designated "Tranche 1", "Tranche 2", "Tranche 3" or "Tranche 4", the amount (if any) appearing and designated as such against that Bank's name in Schedule B of the Senior Facility Agreement or in the Substitution Certificate or other document by which it became party to or acquired rights and/or obligations under this Agreement; and
- (b) without any such designation and without the designation "Ancillary", whichever of the foregoing in respect of such Bank the context requires,

in each case as reduced or increased by substitution or transfer pursuant to Clause 30 of the Senior Facility Agreement and any Substitution Certificates to which such Bank is party, as reduced pursuant to Clause 2.2(c) of the Senior Facility Agreement and in the case of any Ancillary Bank as reduced or increased pursuant to Clause 2.2(d) of the Senior Facility Agreement, and to the extent not otherwise cancelled, reduced or terminated under the Senior Facility Agreement (collectively, the "Total Commitments").

"Declared Default" means an Event of Default in respect of which notice has been served by the Senior Agent in accordance with Clause 24.2 of the Senior Facility Agreement or by the Mezzanine Agent in accordance with Clause 22.2 of the Mezzanine Facility Agreement.

"Deed of Accession" means a deed substantially in the form of Schedule 7 of the Debenture executed, or to be executed, by a Chargor.

"Default" means (a) any Event of Default, and (b) any event which, with the giving of notice, lapse of time or fulfilment of any other applicable condition (apart from the mere occurrence of such event) as provided in Clause 24.1 of the Senior Facility Agreement or in Clause 22.1 of the Mezzanine Facility Agreement or combination of the foregoing, would be or become an Event of Default, provided that any such event which by reason of express provisions in any Finance Document requires the satisfaction of a condition as to materiality before it may become an Event of Default shall not be a Default unless that condition is satisfied.

"Documentary Credit Bank" means Barclays Bank PLC or any other Bank which becomes a Documentary Credit Bank pursuant to Clause 5.8 of the Senior Facility Agreement.

"Effective Date" means 3.00 am on 3rd September, 2000.

"Encumbrance" means any standard security, assignment in security, bond and floating charge, mortgage, pledge, lien, charge, assignment for the purpose of providing security,

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hypothecation, right in security, security interest or trust arrangement for the purpose of providing security, and any other security agreement or other arrangement having the effect of providing security (including, without limitation, the deposit of monies or property with a person with the primary intention of affording such person a right of set-off or lien).

"Euro" and "€" means the single currency of the Participating Member States.

"Event of Default" means any of the events specified in Clause 24.1 of the Senior Facility Agreement or in Clause 22.1 of the Mezzanine Facility Agreement.

"Facility Agent" means any Bank appointed as such pursuant to Clauses 26.1 or 26.14 of the Senior Facility Agreement.

"Fee Letters" means the letters from the Arranger and the Facility Agent respectively to the Obligors' Agent countersigned by the Obligors' Agent and dated 27th September, 2000 agreeing certain fees payable by the Obligors' Agent pursuant to Clause 27 of the Senior Facility Agreement.

"Finance Documents" means:

- (a) when designated "Senior", the Senior Facility Agreement, any documents constituting or evidencing amounts outstanding under an Ancillary Facility, the Fee Letters, the Security Documents, any Accession Agreement, the Priority Agreement and the Hedging Agreements (and includes any other document designated as such by the Facility Agent and the Obligors' Agent together);
- (b) when designated "Mezzanine", the Mezzanine Facility Agreement, the Mezzanine Fee Letters, the Priority Agreement, the Security Documents, the Warrant Documents, and any other document designated as such by the Facility Agent and the Obligors' Agent together); and
- (c) without any such designation, whichever of the foregoing the context requires.

"Fixtures" means, in relation to any freehold or leasehold property charged by or pursuant to the Debenture, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time thereon owned by any Chargor.

"Funds Flow Statement" means the funds flow statement prepared by Ernst & Young dated 23rd October, 2000 in the agreed form showing the payments to be made by each member of the Group at or immediately prior to or after Closing for the purposes of effecting Closing.

"Group" means Bourne Leisure Limited and its Subsidiaries from time to time.

"Group Shares" means all shares specified in Schedule A to this Companies form M395 or in the Schedule to any Deed of Accession or, when used in relation to a particular Chargor, such of those shares as are specified against its name in Schedule A to this Companies form M395 or as are specified in the Schedule to a Deed of Accession to which it is party, together in each case with all other stocks, shares, debentures, bonds, warrants, coupons or other securities and investments now or in the future owned by any or (when used in relation to a particular Chargor) that Chargor from time to time.

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"Guarantor" means:

- (a) in relation to the Senior Facility Agreement, each entity identified as a Guarantor in Schedule A Part II of the Senior Facility Agreement and each Additional Guarantor; and
- (b) in relation to the Mezzanine Facility Agreement, each entity identified as a Guarantor in Schedule A Part II of the Mezzanine Facility Agreement and each Additional Guarantor.

"Hedging Agreements" means any and all interest rate swap and/or interest rate cap and/or foreign currency and/or other hedging agreements entered into or committed to be entered into by any member of the Group as have from time to time been agreed in writing between the Obligors' Agent and the Facility Agent to constitute the Hedging Agreements, including without limitation, those contemplated by the Hedging Letter.

"Hedging Bank" means any bank or financial institution which becomes party to the Priority Agreement as a Hedging Bank under Clause 5.1 of the Priority Agreement in each case in its capacity as provider of hedging facilities to one or more of the Obligors, and includes any person to whom any Hedging Liabilities may be payable or owing (whether or not matured) from time to time.

"Hedging Letter" means the letter from the Facility Agent to the Obligors' Agent (countersigned by the Obligors' Agent) setting out the hedging policy in relation to the Group.

"Hedging Liabilities" means all present and future liabilities (actual or contingent) payable or owing by the Obligors or any of them to the Hedging Banks or any of them under or in connection with the Hedging Documents, whether or not matured and whether or not liquidated, together in each case with any Additional Liabilities, PROVIDED THAT, for the purposes of the Priority Agreement only and without prejudice to the liabilities secured by the Security Documents, the term Hedging Liabilities excludes (as against the Mezzanine Creditors but not as against any Intercompany Creditor or any Investor):

- (a) any amount outstanding in excess of the limits specified in Clause 20.5 of the Priority Agreement; and
- (b) any amount outstanding and owed to a Hedging Bank which would not have been outstanding but for a breach of the Priority Agreement by that Hedging Bank.

"Insurances" means all contracts and policies of insurance (including, for the avoidance of doubt all cover notes) of whatever nature which are from time to time taken out by or on behalf of any Chargor or (to the extent of such interest) in which any Chargor has an interest.

"Intellectual Property Rights" means all know-how, patents, trade marks, service marks, designs, business names, domain names, topographical or similar rights, copyrights and other intellectual property rights and any interests (including by way of licence) in any of the foregoing (in each case whether registered or not and including all applications for the same).

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Short Particulars of all property mortgaged or charged

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"Intercompany Creditors" means each Obligor in its capacity as a creditor in relation to any Intercompany Debt, any member of the Group which becomes party to the Priority Agreement as an Intercompany Creditor and any other person to whom any Intercompany Debt may at any time be payable or owing (whether or not matured) from time to time.

"Intercompany Debt" means all present and future liabilities (actual or contingent) payable or owing by the Intercompany Debtors or any of them to Intercompany Creditors or any of them under or in connection with the Intercompany Documents, whether or not matured and whether or not liquidated, comprising, or arising in respect of, borrowings together in each case with any applicable Additional Liabilities, but excluding for the avoidance of doubt any trading liabilities arising in the ordinary course of trading and/or incidental to prudent day-to-day cash and treasury management.

"Intercompany Debtors" means each Obligor in its capacity as a debtor in relation to, or who is at any time liable (whether actually or contingently) for, any Intercompany Debt and any member of the Group which becomes party to the Priority Agreement as an Intercompany Debtor and any other person by whom any Intercompany Debt may from time to time be payable or owing (whether or not matured), guaranteed or secured, or who may be otherwise actually or contingently liable therefor.

"Intercompany Documents" means the Intra-Group Credit Agreement and any and all other agreements and instruments evidencing any loan or other credit facilities made to or made available to one Obligor by another Obligor, as novated, varied, supplemented or amended from time to time.

"Intra-Group Credit Agreements" means:

- (a) the inter-company loan agreement dated 23rd October, 2000 between Bourne Leisure Limited as borrower and various other members of the Group as lenders;
- (b) the inter-company loan agreement dated 23rd October, 2000 between Bourne Leisure Limited as lender and Foray 989 Limited and Bourne Leisure Holdings Limited as borrowers; and
- (c) the letter of support dated 23rd October, 2000 from, inter alios, Bourne Leisure Limited to certain other members of the Group.

"Investors" means the persons named in Schedule 4 of the Priority Agreement and includes any person (whether named in Schedule 4 of the Priority Agreement or not) to whom any Investor Debt (as defined in the Priority Agreement) may be payable or owing (whether or not matured) from time to time.

"Lender" means each of the Senior Agent, the Security Agent, the Arranger, the Banks, the Ancillary Banks (if any), the Documentary Credit Banks and the Hedging Banks parties to or having an interest under the Senior Finance Documents from time to time and each of the Security Agent, the Arranger, the Mezzanine Agent, the Paying Agent and the Mezzanine Lenders parties to or having an interest under the Mezzanine Finance Documents from time to time (together the "Lenders").

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"Majority Banks" means at any time Banks, the aggregate of whose Commitments:

- (a) represent by value more than sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) of the Total Commitments at such time; or
- (b) if the Total Commitments have been reduced to zero, represented by value more than sixty-six and two-thirds per cent. ( $66\frac{2}{3}\%$ ) of the Total Commitments immediately before such reduction.

For the foregoing purpose (and for the purposes of like determinations under any other provision of the Senior Facility Agreement) (i) there shall be no reduction as contemplated in Clause 2.2 of the Senior Facility Agreement in the amount of any Bank's Tranche 4 Commitment by reason of it being an Ancillary Bank with an Ancillary Commitment and (ii) any Bank, by written notice to the Facility Agent, may notionally divide any or all of its Commitments into separate amounts to reflect sub-participation and like arrangements to which is a party and may require the Facility Agent by written notice to count each such amount separately.

"Mezzanine Agent" means Barclays Capital as facility agent for the Mezzanine Lenders under the Mezzanine Facility Agreement and any of its permitted successors or assigns.

"Mezzanine Creditor" means each of:

- (a) the banks and financial institutions named in Schedule 3 of the Priority Agreement in their capacity as Lenders under and as defined in the Mezzanine Facility Agreement; and
- (b) the Arranger party to (and as defined in) the Mezzanine Facility Agreement and the Mezzanine Agent,

and in each case any successor thereto and any assigns, transferees, or substitutes thereof or therefor (whether pursuant to any Substitution Certificate, as defined in the Mezzanine Facility Agreement, or otherwise), and includes any person to whom any Mezzanine Debt may be payable or owing (whether or not matured) from time to time.

"Mezzanine Facility Agreement" means the facility agreement dated 27th September, 2000 and amended and restated pursuant to an Amendment and Confirmation Letter Agreement dated 23rd October, 2000 between, amongst others, Bourne Leisure Limited, the Obligors, Barclays Capital as arranger, and the Mezzanine Lenders, together with each Guarantor Accession Agreement and Substitution Certificate relating thereto and any and each other agreement or instrument supplementing or amending it.

"Mezzanine Fee Letters" means the fee letters entered into between the Obligors' Agent and Barclays Capital (the investment banking division of Barclays Bank PLC) and the Mezzanine Agent dated 27th September, 2000.

"Mezzanine Lenders" means each bank, financial institution, trust, fund, other entity or individual party to the Mezzanine Facility Agreement as Mezzanine Lenders from time to time.

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"Obligor" means:

- (a) in relation to the Senior Facility Agreement, each Borrower and Guarantor and any member of the Group which is required to enter into (whether or not it has yet entered into) any Accession Agreement and/or Security Document in accordance with Clauses 19.1, 19.2 or 19.3 of the Senior Facility Agreement; and
- (b) in relation to the Mezzanine Facility Agreement, means Bourne Leisure Limited and each Guarantor to the Mezzanine Facility Agreement and any member of the Group which is required to enter into (whether or not it has yet entered into) any Guarantor Accession Agreement and/or Security Document in accordance with Clauses 17.1 or 17.2 of the Mezzanine Facility Agreement.

"Obligors' Agent" means Bourne Leisure Limited, appointed to act on behalf of each Obligor in relation to the Senior Finance Documents pursuant to Clause 2.4 of the Senior Facility Agreement.

"Optional Currency" means Euro and US Dollars.

"Participating Member State" means a member state of the European Communities that adopts the Euro as its currency in accordance with legislation of the European Union relating to European Economic and Monetary Union.

"Paying Agent" means Barclays Bank PLC as paying agent for the Mezzanine Lenders under the Mezzanine Facility Agreement and any of its permitted successors or assigns.

"Priority Agreement" means the deed dated 27th September, 2000 as amended and restated pursuant to a supplemental deed dated 23rd October, 2000 made between, amongst others, the Obligors, the Lenders, the Investors, the Intercompany Creditors and the Intercompany Debtors.

"Realisations Account" means each account maintained from time to time by or in the name of the Chargors or any of them for the purposes of Clause 13.2 of the Debenture at such branch or branches of an Account Bank as the Security Agent may from time to time approve.

"Related Rights" means, in relation to the Group Shares, all dividends and other distributions paid or payable after the date hereof on all or any of the Group Shares and all stocks, shares, securities (and the dividends or interest thereon), rights, money or property accruing or offered at any time by way of redemption, bonus, preference, option rights or otherwise to or in respect of any of the Group Shares or in substitution or exchange for any of the Group Shares.

"Relevant Agreements" means each agreement or instrument assigned or purported to be assigned pursuant to Clause 4.3 of the Debenture and/or any Deed of Accession together with any and each other agreement or instrument supplementing or amending any such agreement or contract.

"RHD Assets" means the business carried on by Rank Holidays Division Limited at the Effective Date, more closely defined in Schedule 13 to the Rank Sale and Purchase Agreement.

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"Sale and Purchase Agreement" means:

- (a) when designated "Rank" the sale and purchase agreement dated 27th September, 2000 between The Rank Group plc (registered number 3140769), Rank Holidays Division Limited (registered number 712215), Rank Holdings (France) SA (registration number RCS Paris B403203277 (95B16491)), Rank Holding España SA (VAT number A-80.621.287), Rank Holdings (Netherlands) BV (registration number BV 408.648), Butlins Limited (registered number 323698), Bourne Leisure Limited and Bourne Leisure Group Limited (registered number 956166), as varied and supplemented by a variation letter dated 23rd October, 2000;
- (b) when designated "Bourne" the share exchange agreement dated 27th September, 2000 between Foray 989 Limited (registered number 03297594) and Bourne Leisure Limited; and
- (c) without any such designation, whichever of the foregoing the context requires.

"Scottish Security" means the bond and floating charge dated 23rd October, 2000 given by Baldwins Leisure Estates Limited in favour of the Security Agent, the bond and floating charge dated 23rd October, 2000 given by Seton Sands Holiday Centre Limited in favour of the Security Agent, each standard security governed by Scottish law and granted by any Chargor to the Security Agent over any land situated in Scotland and any other document governed by Scottish-law under which any security interest is granted by any Chargor to the Security Agent.

"Security Accounts" means the Collateral Accounts and the Realisations Accounts.

"Security Agent" means Barclays Bank PLC as agent and trustee for the Senior Creditors, the Hedging Banks and the Mezzanine Creditors of the security under the Security Documents and any replacement therefor thereunder, and any sub-agent, sub-trustee or custodian appointed by it and/or such replacement to hold any such security.

"Security Documents" means the Debenture, the Shares Mortgages, the Assignment and the charges, pledges and other security documents identified in Schedule J of the Senior Facility Agreement and such other documents creating or evidencing Encumbrances as may from time to time be required to be entered into by any member of the Group pursuant to any of the Finance Documents.

"Senior Agent" means Barclays Bank PLC in its capacity as facility agent under the Senior Facility Agreement and its permitted successors and assigns in accordance with the terms of the Senior Finance Documents.

"Senior Facility Agreement" means the facility agreement dated 27th September, 2000 and amended and restated pursuant to an Amendment and Confirmation Letter Agreement dated 23rd October, 2000 between, amongst others, the Borrowers, the Guarantors, the Arranger, the Banks, the Senior Agent and the Security Agent, together with each Accession Agreement and Substitution Certificate relating thereto and any and each other agreement or instrument supplementing or amending it.

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"Share Mortgages" means the mortgages and charges created or purported to be created by Clause 4.2 of the Debenture and/or by any Deed of Accession.

"Sterling" and "£" means the lawful currency for the time being of the United Kingdom.

"Structure Memorandum" means the tax structure paper dated 23rd October, 2000 prepared by Ernst & Young.

"Subsidiary" means in relation to any person, any entity which is controlled directly or indirectly by that person or of whose dividends or distributions that person is entitled to receive more than fifty per cent. (50%) and any entity (whether or not so controlled) treated as a subsidiary in the latest financial statements of that person from time to time, and "control" for this purpose means the direct or indirect ownership of the majority of the voting share capital of such entity or the right or ability to direct management to comply with the type of material restrictions and obligations contemplated in the Finance Documents or to determine the composition of a majority of the board of directors (or like board) of such entity, in each case whether by virtue of ownership of share capital, contract or otherwise.

"Substitution Certificate" means a duly completed certificate executed substantially in the form of Schedule D of the Senior Facility Agreement, and more closely defined in Clause 30.4 of the Senior Facility Agreement (together the "Substitution Certificates").

"Targets" means:

- (a) Leisure Services Agency Limited, Haven Europe Limited, Haven Leisure Limited, Rank Holidays Limited and Rank Holidays Transport Services Limited;
- (b) Soficob S.A. and Haven Leisure France S.A.;
- (c) Parkworld España S.A.;
- (d) Haven Italia S.r.l.; and
- (e) Foray 989 Limited.

"Transfer Properties" means any of the properties brief details of which are set out in Part B of Schedule 7 of the Rank Sale and Purchase Agreement, and any of them.

"US Dollars" and "US\$" means the lawful currency for the time being of the United States of America.

"Warrant Certificates" has the meaning given to that term in the Warrant Instrument.

"Warrant Documents" means the Warrant Instrument, the Warrant Certificates and any other document ancillary thereto or entered into in connection therewith.

"Warrant Instrument" means the warrant instrument in the agreed form dated 23rd October, 2000 and issued by the Borrower in favour of the Lenders.

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In this Companies Form M395 save where the context otherwise requires:

- (a) "assets" includes properties, revenues and rights of every description present, future and contingent;  
  
an "authorisation" includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration and notarisation;  
  
a "month" is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that, if such period starts on the last day in a calendar month or there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in such later calendar month;
- (b) a provision of a law is a reference to that provision as amended or re-enacted;
- (c) words importing the singular shall include the plural and vice versa;
- (d) a time of day is a reference to London time (unless otherwise stated);
- (e) a document in an "agreed form", is a reference to such document either in a form previously agreed in writing by or on behalf of the Obligors' Agent and the Facility Agent or otherwise in form and substance satisfactory to the Majority Banks acting reasonably;
- (f) any reference to a person includes, unless otherwise provided, such person's permitted successors, assigns, transferees or substitutes;
- (g) references to a "person" shall be construed as a reference to any person, firm, company, partnership, association, corporation, government, state or agency; and
- (h) a reference to "Barclays Capital" is to Barclays Capital the Investment Banking Division of Barclays Bank PLC.

Palmhall Group Limited  
Short Particulars of all property mortgaged or charged

**SCHEDULE A**

**Group Shares**

<b>Chargor</b>	<b>Name of Company in which Shares are held</b>	<b>Class of Shares held</b>	<b>Number of Shares held</b>
Bourne Leisure Limited	Butlins Skyline Limited	Ordinary	35,000,011
	Melesey Limited	Ordinary	5,000,002
	Colaingrove Limited	Ordinary	1,000,000
	Haven Europe Limited	Ordinary	1,475,000
		3.5% Cumulative Preference Shares	25,000
	Haven Leisure Limited	Ordinary	140,000,000
	Leisure Services Agency Limited	Ordinary	500,300
	Rank Holidays Limited	Ordinary	50,000,000
	Rank Holidays Transport Services Limited	Ordinary	2
Bourne Leisure Group Limited	Berwick Holiday Centre Limited	Ordinary	100
	Bourne Leisure (Hopton) Limited	Ordinary	100

<b>Chargor</b>	<b>Name of Company in which Shares are held</b>	<b>Class of Shares held</b>	<b>Number of Shares held</b>
	Bridge Street (Nominees) Limited	Ordinary	2
	Greenacres Holiday Park Limited	Ordinary	5,002
	Haggerston Castle Limited	Ordinary	2
	Kiln Park Property Limited	Ordinary	1,800
	Lakeland Holiday Park Limited	Ordinary	100
	Leisure Employment Services Limited	Ordinary	2
	Lido Beach Caravan Park Limited	Ordinary	2
	Lydstep Beach Limited	Ordinary	2
	Seton Sands Holiday Centre Limited	Ordinary	20,000
	SLC (Bourne) Limited	Ordinary	150,002
	Wemyss Bay Caravan Park Limited	Ordinary	2
Colaingrove Limited	Bourne Leisure Group Limited	'A' Ordinary	51,180
	Evergreen Finance Limited	Ordinary	55,000
	Palmhall Limited	Ordinary	533,816
Bridge Street (Nominees) Limited	Guardian Shield Insurance Limited	Ordinary	399,999
Haven Leisure Limited	Haven UK Limited	Ordinary	10,000

<b>Chargor</b>	<b>Name of Company in which Shares are held</b>	<b>Class of Shares held</b>	<b>Number of Shares held</b>
	Parkdean Limited	Ordinary	9,989,702
Kiln Park Limited	Kiln Park Estates Limited	Ordinary	254,416
Palmhall Group Limited	BL (British Holidays) Limited	Ordinary	100
Palmhall Limited	Palmhall Group Limited	Ordinary	2,166,666
		Deferred	2,166,666
	Rockley Park Limited	Ordinary	200
	Kiln Park Limited	Ordinary	100,000
Parkdean Limited	Baldwins Leisure Estates Limited	Ordinary	634,282
		Deferred	100
	Parkdean Holidays Limited	Ordinary	2
Rank Holidays Limited	Oasis Holidays Limited	Ordinary	100
	Oasis Villages Limited	Ordinary	2
	Warner Holidays Limited	Ordinary	8,662,572
Rockley Park Limited	Rockley Sands (Estates) Limited	Ordinary	100

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**SCHEDULE B**  
**FREEHOLD AND LEASEHOLD PROPERTY**

None

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**SCHEDULE C**

**Intellectual Property Rights**

None



## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 00806836

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 23rd OCTOBER 2000 AND CREATED BY PALMHALL GROUP LIMITED FOR SECURING ALL PRESENT AND FUTURE OBLIGATIONS AND LIABILITIES DUE OR TO BECOME DUE FROM EACH OBLIGOR TO THE LENDERS (OR ANY OF THEM) UNDER EACH OR ANY OF THE SENIOR FINANCE DOCUMENTS AND THE MEZZANINE FINANCE DOCUMENTS (ALL AS DEFINED THEREIN) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 9th NOVEMBER 2000.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 13th NOVEMBER 2000.

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THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES



C O M P A N I E S   H O U S E