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COMPANIES FORM No. 395

Particulars of a mortgage or charge

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395

CHFP025

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this margin

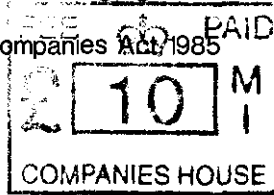
Please complete
legibly, preferably
in black type, or
bold block lettering

*insert full name
of Company

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

Pursuant to section 395 of the Companies Act 1985

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



For official use

Company number

1698769

Name of company

* INTERNATIONAL HOTELIERS (UK) LIMITED (the "Company")

Date of creation of the charge

10th August, 1999

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

A supplemental debenture (the "Supplemental Debenture") between, among
others, the Company and DePfa Deutsche Pfandbriefbank Aktiengesellschaft

Amount secured by the mortgage or charge

PLEASE SEE ATTACHED

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

DePfa Deutsche Pfandbriefbank Aktiengesellschaft (the "Agent") as agent
and trustee for the Finance Parties (as defined below), 38 Lombard
Street, London

Postcode EC3V 9BS

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

Allen & Overy
One New Change
London

EC4M 9QQ

TJLB/SCR/EB/BK:662632.1

Time critical reference

For official Use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

PLEASE SEE ATTACHED

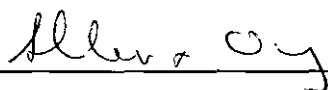
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Please complete
legibly, preferably
in black type, or
bold block
lettering

Particulars as to commission allowance or discount (note 3)

NIL

Signed



Date

17.8.99

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

Company Name: International Hoteliers (UK) Limited
Cont. 1

Company No: 1698769

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 each Finance Party under each Finance Document. The term "Finance Document" includes all amendments and supplements (the "Secured Liabilities").

In this form 395:

"Arranger"

means DePfa Deutsche Pfandbriefbank Aktiengesellschaft.

"Bank"

means, subject to Clause 25.2 (Transfers by Banks) of the Credit Agreement, a bank or financial institution listed in Schedule 1 of the Credit Agreement.

"Borrower"

means Havana Holdings (UK) Limited (Registered No. 3513344).

"Counterparty"

means DePfa Deutsche Pfandbriefbank Aktiengesellschaft.

"Credit Agreement"

means the £90,000,000 credit agreement dated 5th May, 1998 between (among others) the parties to the Debenture as amended and supplemented by the Supplemental Agreement.

"Debenture"

means the debenture dated 5th May, 1998 between the Agent and the Obligors, and a reference to the Debenture shall include the Supplemental Debenture.

"Deed of Priority"

means the deed of priority dated 5th May, 1998 between National Bank of Kuwait (International) PLC and the Agent.

"Fee Letter"

means the letter dated 5th May, 1998 setting out the arrangement fee and the agency fee referred to in clause 19 (Fees) of the Credit Agreement.

"FF&E Reserve Account"

means the account referred to as such in clause 11.1 (Designation of Accounts) of the Credit Agreement.

Company Name: International Hoteliers (UK) Limited
Cont. 2

Company No: 1698769

"Finance Document"

means the Credit Agreement, the Debenture, the Subordination Deed, a Novation Certificate, a Mortgage of Shares, the Hedging Arrangement, the Fee Letter, the Margin Letter, the Deed of Priority, the Supplemental Debenture, the Supplemental Fee Letter, the Supplemental Agreement and any other document securing the obligations of any Obligor under the Credit Agreement or any other document designated as such by the Agent and the Borrower.

"Finance Party"

means the Arranger, a Bank, the Agent or the Counterparty.

"General Account"

means the account referred to as such in clause 11.1 (Designation of Accounts) of the Credit Agreement.

"Gross Revenue"

means the amount to be paid into the General Account by an Operator in accordance with the relevant Operating Agreement (being under the existing Operating Agreement with IHC, the amount paid under clause 7.03 of that Operating Agreement).

"Guarantor"

means the Company, Primeairo Limited (Registered No. 2199203) and Churchill Group Limited (Registered No. 922947) (each a "Guarantor" and together the "Guarantors").

"Hedging Arrangement"

means any interest rate, swap, cap or other arrangement for the hedging of the interest payable by the Borrower under the Credit Agreement with the Counterparty.

"IHC"

means Inter-Continental Hotels Corporation.

"Insurances"

means all contracts and policies of insurance taken out by or on behalf of the Borrower or any Guarantor or (to the extent of its interest) in which the Borrower or any Guarantor has an interest.

"Margin"

means the percentage rate per annum determined in accordance with the Margin Letter.

"Margin Letter"

means the letter dated on or about 5th May, 1998 setting out the Margin.

Company Name: International Hoteliers (UK) Limited
Cont. 3

Company No: 1698769

"Mortgage of Shares"

means a mortgage of shares dated 5th May, 1998 executed between the Borrower and the Agent, or Primeairo Limited and the Agent, or International Hoteliers (UK) Limited and the Agent, each substantially in the form of Schedule 6 to the Credit Agreement.

"Novation Certificate"

has the meaning given to it in clause 25.3 (Procedure for novations) of the Credit Agreement.

"Obligor"

means the Borrower or a Guarantor.

"Operator"

means

- (a) IHC; or
- (b) any other company which enters into an Operating Agreement with an Obligor relating to the operation and management of the Property which has been approved by the Agent in accordance with clause 16.20 (Operating Agreement) of the Credit Agreement.

"Operating Agreement"

means:

- (a) the operating and management agreement dated 4th February, 1993 between Churchill Group Limited and IHC and any other agreement between those parties, in each case relating to the operation and management of the Property; or
- (b) any agreement replacing the agreement(s) in paragraph (a) above between an Obligor and an Operator which has been approved by the Agent in accordance with clause 16.20 (Operating Agreement) of the Credit Agreement.

"Operating Account"

means the account designated as such in clause 11.1 (Designation of Accounts) of the Credit Agreement.

"Property"

means the Churchill Inter-Continental Hotel, Portman Square, London, W1 as more particularly described in Schedule 1 to the Debenture and, where the context so requires, means the buildings on that Property.

"Security Accounts"

means the accounts established under clause 11 (Bank Accounts of the Borrower) of the Credit Agreement.

Company Name: International Hoteliers (UK) Limited
Cont. 4

Company No: 1698769

"Security Assets"

means all the assets of the Company the subject of any security created by the Supplemental Debenture.

"Security Interest"

means any mortgage, pledge, line, charge, assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security.

"Subordination Deed"

means the subordination deed dated 5th May, 1998 executed by the Obligors, Havana Investments Limited and the Agent.

"Supplemental Agreement"

means the £92,500,000 agreement dated 10th August, 1999 which amends and supplements the Credit Agreement.

"Supplemental Debenture"

means the supplemental debenture dated 10th August, 1999 executed by each Obligor in favour of the Agent which accompanies this Form 395.

"Supplemental Fee Letter"

means the letter dated 10th August, 1999 between the Borrower and the Agent.

Particulars of all the property mortgaged or charged

The Company, as security for the payment of all the Secured Liabilities, charges in favour of the Agent:

- (a) by way of a first legal mortgage:-
 - (i) the property specified under its name in Schedule 1 of the Debenture; and
 - (ii) all estates or interests in any freehold or leasehold property (except any Security Assets specified in sub-paragraph (i) above) now or hereafter belonging to it; and
- (b) by way of first fixed charge:
 - (i) (to the extent that they are not the subject of a mortgage under paragraph (a) above) all estates or interests in any freehold or leasehold property now or hereafter belonging to the Company;
 - (ii) all plant and machinery owned by the Company and the Company's interest in any plant or machinery in its possession;
 - (iii) all moneys standing to the credit of any account (including, without limitation, the Security Accounts but excluding the Operating Account and the FF&E Reserve Account) with any person and the debts represented by them;
 - (iv) all benefits in respect of the Insurances and all claims and returns of premiums in respect of them;
 - (v) all of the Company's book and other debts, the proceeds of the same and all other moneys due and owing to the Company and the benefit of all rights, securities and guarantees of any nature enjoyed or held by the Company in relation to any of the foregoing;
 - (vi) any beneficial interest, claim or entitlement of the Company in any pension fund;
 - (vii) the Company's goodwill;
 - (viii) so far as the law allows, the benefit of all licences, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any Security Asset specified in any other sub-paragraph in paragraph (a) above, this paragraph (b) or paragraph (c) below and the right to recover and receive all compensation which may be payable to it in respect of them (including, without limitation, on account of their non-renewal); and
 - (ix) the Company's uncalled capital;
- (c) by assignment by way of security for the payment of all the Secured Liabilities:
 - (i) all Gross Revenue;
 - (ii) the Company's rights under any hedging arrangements (including the Hedging Arrangements); and

Company Name: International Hoteliers (UK) Limited
Cont. 6

Company No: 1698769

- (iii) the Company's rights under all agreements relating to the management and operation of the Property, including the Operating Agreement.
- (d) by way of a first floating charge all its assets not otherwise effectively mortgaged or charged by way of fixed mortgage or charge under paragraphs (a)-(c) (inclusive) above including, without limitation, the Operating Account and FF&E Reserve Account.

NB. The Company shall not:-

- (a) create or permit to subsist any Security Interest on any Security Asset other than any Security Interest created by the Debenture, a Mortgage of Shares or expressly permitted by the Credit Agreement; or
- (b) sell, transfer, grant, lease or otherwise dispose of any Security Asset or permit the same to occur, except for:
 - (i) any disposal permitted under clause 16.10 (Disposals) of the Credit Agreement; and
 - (ii) the disposal in the ordinary course of trade of any Security Asset subject to the floating charge created under clause 3.1 (Creation of floating charge) of the Debenture.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 01698769

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SUPPLEMENTAL DEBENTURE DATED THE 10th AUGUST 1999 AND CREATED BY INTERNATIONAL HOTELIERS (UK) LIMITED FOR SECURING ALL PRESENT AND FUTURE OBLIGATIONS AND LIABILITIES DUE OR TO BECOME DUE FROM EACH OBLIGOR (AS DEFINED) TO DEPFA DEUTSCHE PFANDBRIEFBANK AKTIENGESELLSCHAFT (THE "AGENT") (THE "AGENT") AS AGENT AND TRUSTEE FOR THE FINANCE PARTIES (AS DEFINED) UNDER EACH FINANCE DOCUMENT (AS DEFINED) ON ANY ACCOUNT WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 19th AUGUST 1999.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 24th AUGUST 1999.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



COMPANIES HOUSE

LC
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