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COMPANIES FORM No. 395

Particulars of a mortgage or charge

005323/20

395

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this margin

Pursuant to section 395 of the Companies Act 1985

CHA 116

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

To the Registrar of Companies

For official use

Company number

1121

1940208

Name of company

* Hallmark Hotels Limited ("The Company")

*insert full name
of company

Date of creation of the charge

19 December 2002

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

CHARGE DEED

Amount secured by the mortgage or charge

a) Any sum advanced by the Lender to the Company including any further advance or re-advance to the Company ("The Principal Sum") and all other monies which now are or at any time afterwards may be or become due from the Company to the Lender and the discharge of all obligations and liabilities whether actual or contingent (including further advances made by the Lender after the date of the Charge Deed and secured directly or indirectly by the Charge Deed) now or afterwards owed by the Company to the Lender whether on any current or other account or otherwise in any manner whatever (whether alone or jointly and in whatever style name or form and whether as principal or surety) and whether owing originally to the Lender or purchased or otherwise acquired by it together with interest to the date of payment at such rates and upon such terms as may be from time to time determined by the Lender in accordance with the Charge Deed or any offer in writing whereby the Lender offers to advance the Principal Sum to the Company ("the Loan Offer") and all commission fees and other charges and all legal and other costs and expenses (including internal administrative costs) incurred by the Lender in relation to the Charge Deed in enforcing or seeking to enforce the security created by the Charge Deed on a full

- SEE CONTINUATION SHEET ONE PAGE 2

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

NORTHERN ROCK PLC ("The Lender")
NORTHERN ROCK HOUSE
GOSFORTH
NEWCASTLE UPON TYNE NE3 4PL

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

DLA
3 Noble Street
London EC2V 7EE
DX 33866 FINSBURY SQUARE
NorthernRock/395/Hallmark

LJB/Banking/27570/120162

Time critical reference

For official use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

The Company with full title guarantee as a continuing security for payment of all the Secured Liabilities:-

- i) charges to the Lender by way of legal mortgage the freehold property known as Durley Hall Hotel, 7 Durley Chine Road, 4 Marlborough Road and 14 Chine Crescent Road, Bournemouth registered at H M Land Registry under Title Number DT137903 ("the Property") and all fixtures and fittings from time to time attached to the Property ("Fixtures") and by way of specific charge all the income from time to time arising or payable to or on behalf of the Company in relation to the Property and the proceeds of any charge sale (whether subject to the Charge Deed or otherwise) lease sub-lease assignment or transfer or any agreement to enter into any of the foregoing the grant of an option or similar right the creation of a trust or other equitable interest in favour of a third party and a sharing or parting with possession or occupation whether by way of licence or otherwise ("Disposal") in respect of the Property and all deeds and documents from time to time relating to the same and all monies due and owing at any time under the insurance policies or compensation arrangements referred to in the Charge Deed ("Insurance and Compensation Monies");
- ii) assigns to the Lender any option to purchase the freehold or superior leasehold or to obtain a new lease of the Property any guarantee relating to the Property any share or membership rights in a residents association or management company relating to the Property any other benefit or right of any kind relating to the Property its construction use or title ("Related Rights") ;

SEE CONTINUATION SHEET 1 PAGE 4


Please do not write in this margin

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

Particulars as to commission allowance or discount (note 3)

Nil

Signed



Date 31 December 2002

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

† 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.

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binding margin

Particulars of a mortgage or charge (continued)

Continuation sheet No 1
to Form No 395 and 410 (Scot)

CHA 116

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

Company Number

1940208

Name of Company

Hallmark Hotels Limited ("The Company")

~~limited~~*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

indemnity basis (including those in connection with the act or matters referred to in clauses 9 and 14 of the Charge Deed) ; and
b) commission interest fees and charges to date of payment (as well after as before any demand or judgment) at the rates and upon the terms from time to time agreed between the Company and the Lender or if there is no such agreement, determined by the Lender in accordance with the Charge Deed or the Loan Offer and such interest shall be compounded in the event of it not being punctually paid in accordance with the usual practice of the Lender but without prejudice to the right of the Lender to require payment of such interest when due (together "the Secured Liabilities")

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

**Please complete
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iii) charges to the Lender by way of fixed charge the equipment and goods listed in the Charge

Deed (if any) and all other fixtures fittings plant and machinery which may from time to time be erected on or affixed to the Property;

iv) charges to the Lender by way of floating charge all other moveable plant machinery implements building materials of all kinds utensils furniture and equipment now or from time to time placed on or used in or about the Property and belonging to the Company;

v) charges to the Lender by way of floating charge the undertaking and all other property assets and rights of the Company whatsoever and wheresoever both present and future (including but not limited to the Property and assets referred to in clauses i) ii) and iii) above and the stock-in-trade of the Company);

vi) assigns to the Lender the goodwill of the Company in each and every business from time to time carried on by the Company whether from the Property or elsewhere ("the Business") together with the benefit of all licences consents certificates registrations permits orders or other similar matters required in connection with the Property or the Business ("Licences") or authorisation of any kind referred to in the Charge Deed

("Authorisations") which the Company may hold in connection with any Business ("the Goodwill") and all present and future patents patent applications inventions trademarks trademark applications brand and trade names registered designs and applications for such designs design rights copyrights and rights in the nature of copyright computer programmes knowhow and trade secrets and all licences and sub-licences now or herein granted to or by the Company in respect of any rights of the above nature and all other intellectual property rights and ancillary rights and benefits including all royalties fees and other income deriving from the same both present and future in relation to and for the benefit of the Business or in which the Company may have an interest and the benefit of all present and future agreements entered into or the benefit of which is enjoyed by the Company relating to the use or exploitation of rights of such nature whether owned by the Company or others ("Intellectual Property")

N.B. The Company shall not:-

- a) create or allow any mortgage charge pledge lien right of set-off guarantee or security assurance or any other security whatsoever ("Security Interest") over the Property;
- b) without the prior written consent of the Lender under the hand of one of its Authorised Officials grant or agree to grant any lease agreement for lease or licence in respect of the Property or part with or share possession of the Property or grant any legal or equitable interest in or right over the Property;
- c) accept any surrender of any lease agreement for lease or licence of the Property;
- d) vary the terms of any lease agreement for lease or licence of the Property;
- e) make any Disposition of the Property including surrendering or agreeing to surrender the same;
- f) create or allow any Security Interest over all of the undertaking Goodwill property assets revenues and rights of the Company charged by the Charge Deed either by way of fixed or floating charge and including every part of the same ("Charged Property") whether ranking before pari passu with or after the Charge Deed.

The Lender shall be entitled at any time by notice in writing to the Company to convert any of the floating charges into fixed charges as regards any assets specified in the notice.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 01940208

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A CHARGE DEED DATED THE 19th DECEMBER 2002 AND CREATED BY HALLMARK HOTELS LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO NORTHERN ROCK PLC UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 3rd JANUARY 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 7th JANUARY 2003.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

D.X.
A.M.