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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

395

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number

14

222037

Name of company

2220337

* Falcon Leisure Group (Overseas) Limited (the "Company")

Date of creation of the charge

28th February 1997

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

A deed relating to netting and payment arrangements (entered into by the Company and the companies listed in Schedule I thereto (1) the banks listed in the Schedule II attached (2) and Barclays Bank PLC as "Security Trustee" (3) (the "Deed"))

Amount secured by the mortgage or charge

The Deed entitles each Bank to set off money now or subsequently standing to the credit of the Company with that Bank in satisfaction of Indebtedness owing to that Bank by the Company, including any amounts becoming due by way of indemnity from the Company to that Bank under clause 5 of the Deed

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

Barclays Bank PLC (in its capacity as Security Trustee) and the Banks
Chatsworth House
66/70 St Mary Axe
London EC3A 8BD

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

Lovell White Durrant
65 Holborn Viaduct
London EC1A 2DY

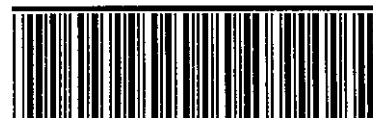
A1/JIB/GBY/92390-1

Time critical reference

For official use

Mortgage Section

Post room



KLO *KBLILT9* 61
COMPANIES HOUSE 12/03/97

Short particulars of all the property mortgaged or charged

See Part II, III and IV of the Schedule attached and also see Parts I, V and VI of the Schedule attached which contain definitions and provisions which further define the arrangements set out in the Deed.

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

Particulars as to commission allowance or discount (note 3)

N/A

Signed *Lovell White Dumas*

Date *12th March 1997*

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

† delete as appropriate

- 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.

Part I

Definitions

"Banks" means the Banks named in Part IV of this Schedule which are parties to the Deed and (where the context permits) includes each or any of them and their respective successors and permitted assignees.

"Deed of Charge" means a deed relating to fixed charge and flawed asset arrangements made on 3rd March 1996 between (1) the Parent or (if applicable) another Group Company, (2) the Security Trustee and (3) Barclays Bank PLC as agent for the Deposit Holders named therein.

"Enforcement Date" means the date of first enforcement of any part of the guarantees and security created in favour of the Security Trustee (pursuant to the Inter-Creditor Agreement).

"Facility Providers" means collectively the Banks in their respective capacities as providers of various facilities to the Participants and also Barclays Bank PLC in its capacity as covenantor under a deed poll dated 28th February 1997.

"Indebtedness" means any obligation for the payment or repayment of money, whether actual or contingent, present or future, joint or several, and whether incurred as principal or surety, including principal, interest, commission, fees and other lawful charges and expenses for which a Participant may be or become liable to a Facility Provider.

"Inter-Creditor Agreement" means the agreement entered into on 28th February 1997 between the Banks, the Security Trustee and the Parent regulating (inter alia) the respective priorities of the claims of the Banks under the security referred to therein and the rights and duties of the Security Trustee in relation to such security;

"Net Credit Balance" means, in relation to a Participant, the aggregate of all credit balances in whatever currency held by such Participant with each Bank (whether in an account or otherwise) from day to day, including (for the avoidance of doubt) any balance on an account originally subject to a deed of charge created by such Participant in favour of the Security Trustee which may remain after such deed of charge has been discharged or released, in each case after deduction of any amount which is actually set off (whether as a result of the operation of any auto-transfer, composite accounting or similar current account netting arrangement under existing documentation or otherwise) against Indebtedness due by such Participant to such Bank at that time.

"Net Group Indebtedness" means the aggregate of all Indebtedness for the time being owing by Group Companies to the Security Trustee and all Facility Providers in whatever manner, after deduction of any amount which is actually set off by the Banks against credit balances held with them by Participants.

"Participants" means each company named in the Second Schedule to the Deed including the Company and (where the context permits) includes each or any of them and their respective successors and permitted assignees.

"Security Trustee" means Barclays Bank PLC in its capacity as security trustee as defined in the Inter-Creditor Agreement.

Part II

Short Particulars of Set-off Rights

1. By clause 3.1 of the Deed, the Company agreed that each Bank may, at any time or times on or after the Enforcement Date (as defined in the Inter-Creditor Agreement) without notice, set off any or all sums of money now or subsequently standing to the credit of the Company (including any unmatured deposit or any deposit in respect of which the appropriate call notice has not been given) against all or such part of such Indebtedness as such Bank may determine (whether presently payable or not).
2. By Clause 3.4 of the Deed, it was agreed that, for the avoidance of doubt and without prejudice to the generality of Clause 3.1 of the Deed, each Bank's right of set-off should be exercisable against any balance on an account with such Bank which was originally subject to a Deed of Charge created by a Participant in favour of the Security Trustee and which remains after such Deed of Charge has been discharged or released.

Part III

Short Particulars of Irrevocable Undertakings to Pay

1. By Clause 4.1 of the Deed, each Bank at the request of the Company irrevocably undertook to the Security Trustee to pay to the Security Trustee on demand in writing by the Security Trustee at any time on or after the Enforcement Date an amount limited to whichever is the lower of the following:-
 - (a) an amount equal to the Net Group Indebtedness to the Facility Providers (as defined in the Inter-Creditor Agreement"); or
 - (b) an amount equal to the Net Credit Balances of such Participant with such Bank.

The Security Trustee agreed to apply such amount in accordance with the terms of the Inter-Creditor Agreement.

2. By Clause 4.2 of the Deed, it was agreed that amounts due from each Bank under Clause 4.1 of the Deed shall be payable to the Security Trustee only when and to the extent that such Bank will be entitled immediately upon payment to set off, against the Net Credit Balances held by it, the amount payable to such Bank under Clause 5.1 of the Deed (by way of indemnity in respect of its payment to the Security Trustee).
3. By Clause 4.3 of the Deed, the undertaking contained in Clause 4.1 constitutes a direct obligation of each Bank as primary obligor (and not as surety only) to make payment in accordance with the terms of such undertaking. The liability of each Bank shall not be discharged or impaired in any way by reason of any act or matter whatever which (but for this provision) might have discharged or impaired the liability of such Bank.

Part IV

Short Particulars of Indemnities

1. By clause 5.1 (a) of the Deed, the Company irrevocably and unconditionally agreed to keep each Bank indemnified from and against all actions, proceedings, liabilities, claims, demands, costs and expenses (including, without limitation, legal fees and disbursements and value added tax or similar tax thereon) in relation to or arising out of such undertaking and/or any payment pursuant to it and to pay to such Bank on demand all payments, losses, liabilities, costs, charges and expenses incurred by such Bank in consequence of such undertaking and/or such payment or arising out of them, whether directly or indirectly.

2. By Clause 5.1 (b) of the Deed, the Company authorised each Bank to debit to any account(s) of the Company with such Bank all sums equal to such payments, losses, liabilities, costs, charges and expenses, and further agreed that such Bank shall be at liberty without any notice to or further or other consent from such Participant to apply or transfer any money now or at any time hereafter standing to its credit upon any account with such Bank in payment or in part payment of any such sums of money as may be or hereafter may from time to time become due or owing to such Bank by the Company thereunder.

Part V

Other Provisions

1. by Clause 3.2 of the Deed, the Company agreed that each Bank is irrevocably empowered and authorised as the attorney of the Company to execute and deliver such documents and give such instructions as may be required to give effect to the provisions of clause 3.1 of the Deed, including (without limitation) instructions to give effect to such application and instructions for the withdrawal of any money which such Bank may have placed with any third party and to use any money to purchase any currency or currencies required to effect such application and/or the closing out of any foreign exchange transactions.
2. By clause 6 of the Deed, the Company agreed not to assign or create, or permit to subsist, any fixed or floating charge or other security interest of any kind or any trust over any money or interest subject to the rights of set-off conferred by the Deed or its right or interest therein, or agree to do so, except in favour of the Security Trustee and except for any Permitted Encumbrance (as defined in the Inter-Creditor Agreement).
3. By Clause 7 of the Deed, it was agreed that, if and to the extent the terms of the Deed are inconsistent with the terms of any present or future bank mandate addressed by a Participant to a Bank, the terms of the Deed (as varied if applicable under clause 8) shall prevail.
4. By Clause 11 of the Deed, the Company by way of security irrevocably appointed the Security Trustee the attorney of the Company (with full power to appoint substitutes and to delegate) for the Company, in its name and on its behalf, and as its act and deed or otherwise, at any time to execute and deliver and otherwise perfect any agreement, assurance, deed, instrument or document, or perform any act, which may be required of the Company under the Deed, or may be deemed by such attorney necessary or desirable for any purpose of the Deed or to apply any money as contemplated in the Deed.

Part VI

The Banks

Name	
Banque Indosuez	
Barclays Bank PLC	
Barclays Bank PLC acting in its capacity as Barclays Merchant Services	
National Westminster Bank Plc	
The Royal Bank of Scotland plc	

Name	
The Bank of Yokohama Ltd	
Banca Commerciale Italiana	
Banca Popolare di Novara S.C.aR.L.	
The Governor and Company of the Bank of Ireland	
The Governor and Company of the Bank of Scotland	
Crédit National	

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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. 02220337

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED RELATING TO NETTING AND PAYMENT ARRANGEMENTS DATED THE 28th FEBRUARY 1997 AND CREATED BY FALCON LEISURE GROUP (OVERSEAS) LIMITED FOR SECURING ANY OBLIGATION FOR THE PAYMENT OR REPAYMENT OF MONEY, WHETHER ACTUAL OR CONTINGENT, PRESENT OR FUTURE, JOINT OR SEVERAL AND WHETHER INCURRED AS PRINCIPAL OR SURETY, INCLUDING PRINCIPAL, INTEREST, COMMISSION, FEES AND OTHER LAWFUL CHARGES AND EXPENSES FOR WHICH A PARTICIPANT (AS DEFINED) MAY BE OR BECOME LIABLE TO BARCLAYS BANK PLC (IN ITS CAPACITY AS SECURITY TRUSTEE) AND THE BANKS (AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 12th MARCH 1997.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 17th MARCH 1997.

A handwritten signature in dark ink, appearing to read 'A. J. Wakeham', with a horizontal line extending to the right.

A. J. WAKEHAM

for the Registrar of Companies

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C O M P A N I E S H O U S E