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COMPANIES FORM No 395

103930/210

Particulars of a mortgage or charge

395

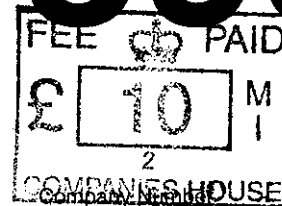
CHFP000

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

Pursuant to section 395 of the Companies Act 1985

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

For Official use



02486634

Please do not write
in this margin
Please complete
legibly, preferably
in black type or
bold block lettering

Name of Company

* JARVIS HOTELS LTD (the "Company")

*insert full name of
company

Date of creation of the charge

16 March 2004

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

Deed of accession dated 16 March 2004 (the "Security Accession Deed") between the Company and the Royal Bank of Scotland PLC (the "Security Trustee") to the Guarantee and Fixed and Floating Security Document dated 11 December 2003 (the "Debenture") created by Kayterm plc (the "Original Chargor") in favour of the Security Trustee.

Amount secured by the mortgage or charge

(PLEASE SEE ATTACHED CONTINUATION SHEET)

Name and address of the mortgagees or persons entitled to the charge

The Royal Bank of Scotland PLC (as Security Trustee for the benefit of the Secured Parties)

7th Floor, 135 Bishopsgate, London

Postcode

EC2M 3UR

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

Linklaters
One Silk Street
London EC2Y 8HQ
Tel: 020 7456 2000

Ref: 900123

Please return
via
CH London Counter

Time critical reference

For official Use
Mortgage Section

Post room



LD3
COMPANIES HOUSE

0330
19/03/04

(PLEASE SEE ATTACHED CONTINUATION SHEET)

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

h. m. d. a. t. e. s.

Date

19/3/04

On behalf of chargee

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

Note

[†] 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, e.g. "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 including 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

Name of Company

JARVIS HOTELS LTD

Company Number

02486634

Amount secured by the mortgage or charge

The "Liabilities" (which are defined in the Debenture as meaning:

- (a) all present and future moneys, debts and liabilities due, owing or incurred by a Chargor under or in connection with any Senior Finance Document (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently and whether as principal, surety or otherwise), together with any related Additional Debt;
- (b) all Bond Mezzanine Debt;
- (c) all Vendor Debt;
- (d) all Vendor Secured Entitlement Debt; and
- (e) all Guaranteed Liabilities)

of the Company or of any other Chargor.

Short particulars of all the property mortgaged or charged

1. FIXED CHARGES AND ASSIGNMENTS

1.1 Creation of fixed Charges

The Company, with full title guarantee and as security for the payment of all Liabilities (whether of it or any other Chargor), charges in favour of the Security Trustee (as trustee for the Secured Parties):

- (a) by way of first legal mortgage, all Real Property in England and Wales belonging to it at the date of the Security Accession Deed;
- (b) by way of first fixed equitable charge, all other Real Property belonging to it at the date of the Security Accession Deed and all Real Property acquired by it in the future; and
- (c) by way of first fixed charge, all its present and future:
 - (i) Book Debts;
 - (ii) Bank Accounts;
 - (iii) Investments;
 - (iv) uncalled capital and goodwill;
 - (v) Intellectual Property;
 - (vi) beneficial interest in any pension fund;
 - (vii) plant and machinery (except that mortgaged or charged by paragraph (a) or (b) above);
 - (viii) rights under any contract or other document relating to or in any way connected with the appointment of any managing agent of any Real Property;
 - (ix) rights under any agreement relating to the purchase of Real Property;
 - (x) rights under any agreement for the sale of any Charged Asset;
 - (xi) benefit of all present and future Authorisations held in connection with its business or the use of any Charged Asset specified in any other sub-paragraph of this paragraph and the right to recover and receive all compensation which may be payable in respect of them;
 - (xii) interest in the benefit of all guarantees, warranties and representations given or made by any manufacturers, suppliers and installers of any plant, machinery, equipment, fixtures and fittings now or in future on the Real Property and/or by any other person under contract with or under a duty to the Company in respect of them;
 - (xiii) future easements and other rights at any time vested in, or conferred on, each Chargor in connection with or otherwise for the benefit of the Charged Assets;
 - (xiv) to the extent that they are not subject to an effective assignment under paragraph 1.2 below, Insurances and all related proceeds, claims of any kind, returns of premium and other benefits;
 - (xv) to the extent that they are not subject to an effective assignment under paragraph 1.2 below all rights under Hedging Documents; and
 - (xvi) to the extent that they are not subject to an effective assignment under paragraph 1.2 below all rights under each Lease Document.

Short particulars of all the property mortgaged or charged

1.2 Assignments

The Company, with full title guarantee, assigns by way of security to the Security Trustee (as trustee for the Secured Parties) all its present and future right, title and interest in and to:

- (a) all Rental Income;
- (b) all Disposal Proceeds;
- (c) any guarantee of Rental Income contained in or relating to a Lease Document;
- (d) any Hedging Documents including all moneys payable to the Company and any claims, awards and judgments in favour of receivable or received by the Company, Lender or in connection with or pursuant to any Hedging Documents;
- (e) any agreements, contracts and Insurances relating to Real Property, including all moneys payable to the Company;
- (f) any claims, awards and judgments in favour of the Company, under or in connection with any Finance Documents (as defined in the Debenture) and any agreements, contracts and Insurances relating to Real Property;
- (g) all Insurances and all proceeds in respect of Insurances and all benefits of Insurances (including all claims relating to, and all returns of premium in respect of, Insurances); and
- (h) its Real Property (except any Real Property charged by paragraphs (a) and (b) of paragraph 1.1 (*Creation of fixed Charges*)), including all rights against all past, present and future undertenants of its Real Property and their respective guarantors and sureties.

1.3 Miscellaneous

A reference in the Debenture (and this Form 395) to a Charge of any freehold or leasehold property includes:

- (a) all buildings and Fixtures on that property;
- (b) the proceeds of sale of any part of that property; and
- (c) the benefit of any covenants for title given or entered into by any predecessor in title of the Company in respect of that property or any moneys paid or payable in respect of those covenants.

2. FLOATING CHARGE

2.1 Creation

The Company, with full title guarantee and as security for the payment of all Liabilities (whether of that or any other Chargor), charges in favour of the Security Trustee (as trustee for the Secured Parties) by way of first floating charge its undertaking and all its assets, both present and future (including assets expressed to be charged or assigned by paragraph 1 (*Fixed charges and Assignments*)).

2.2 Qualifying Floating Charge

- (a) The floating Charge created by the Company pursuant to paragraph 2.1 above (*Creation*) is a "qualifying floating charge" for the purposes of paragraph 14.2(a) of Schedule B1 to the Insolvency Act.

Short particulars of all the property mortgaged or charged

- (b) Paragraph 14 of Schedule B1 to the Insolvency Act shall apply to the Debenture.

2.3 Ranking

The floating Charge created by the Company ranks:

- (a) behind all the fixed Charges created by the Company; but
- (b) in priority to any other Security over the Charged Assets of the Company except for Security ranking in priority in accordance with paragraph (f) of Schedule 2 (*Rights of Receivers*) to the Debenture.

2.4 Conversion by notice

The Security Trustee may convert any floating Charge into a fixed Charge (either generally or specifically) by notice to the Company specifying the relevant Charged Assets:

- (a) if it considers that such Charged Assets are in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy; and/or
- (b) while an Enforcement Event is continuing.

2.5 Automatic conversion

If:

- (a) the Company takes any step to create any Security in breach of paragraph 3.1 (*Security*) over any of the Charged Assets not subject to a fixed Charge; or
- (b) any person takes any step to effect any expropriation, attachment, sequestration, distress or execution against any of those Charged Assets,

the floating Charge over the relevant Charged Assets shall automatically and immediately be converted into a fixed Charge.

3. RESTRICTIONS AND FURTHER ASSURANCE

3.1 Security

The Company shall not create or permit to subsist any Security over the Charged Assets, nor do anything else prohibited by Clause 22.6 (*Negative pledge*) of the Senior Facility Agreement, except as permitted by that clause.

3.2 Disposal

The Company shall not enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of the Charged Assets except as permitted by Clause 22.7 (*Disposals*) of the Senior Facility Agreement.

3.3 Further Assurance

The Company shall promptly do whatever the Security Trustee requires (acting reasonably):

- (a) to perfect or protect the Charges or the priority of the Charges; or
- (b) to facilitate the realisation of the Charged Assets following an Enforcement Event or the exercise of any rights vested in the Security Trustee or any Receiver,

Short particulars of all the property mortgaged or charged

including executing any transfer, conveyance, charge, assignment or assurance of the Charged Assets (whether to the Security Trustee or its nominees or otherwise), making any registration and giving any notice, order or direction.

Note: In this Form, except to the extent that the context requires otherwise:

"Accession Deed" means a deed substantially in the form set out in Schedule 2 (*Form of Accession Deed*) of the Intercreditor Agreement.

"Additional Borrower" means a company which becomes an Additional Borrower in accordance with Clause 26 (*Changes to the Obligors*) of the Senior Facility Agreement.

"Additional Chargor" means the Company and each other person acceding to the Debenture as a Chargor by executing and delivering a Deed of Accession.

"Additional Debt" means, in relation to any Debt, any money, debt or liability due, owing or incurred under or in connection with:

- (a) any refinancing, deferral or extension of that Debt;
- (b) any further advance which may be made under any document, agreement or instrument supplemental to any relevant Finance Document (as defined in the Intercreditor Agreement) together with any related interest, fees and costs;
- (c) any claim for damages or restitution in the event of rescission of that Debt or otherwise in connection with any relevant Finance Document (as defined in the Intercreditor Agreement);
- (d) any claim against any Obligor flowing from any recovery by an Obligor or any liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer of a payment or discharge in respect of that Debt on the grounds of preference or otherwise; and
- (e) any amount (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.

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

"Agreement for Lease" means an agreement to grant an Occupational Lease.

"Ancillary Commitment" means, in relation to the Ancillary Lender, the maximum amount (expressed in the Base Currency) from time to time agreed (whether or not subject to satisfaction of conditions precedent and whether or not utilised) to be made available by the Ancillary Lender under an Ancillary Facility and authorised under Clause 6 (*Ancillary Facilities*) of the Senior Facility Agreement, to the extent not cancelled or reduced under the Senior Facility Agreement.

"Ancillary Facility" means an ancillary facility made available by the Ancillary Lender in accordance with Clause 6 (*Ancillary Facilities*) of the Senior Facility Agreement.

"Ancillary Facility Document" means a document setting out the terms of an Ancillary Facility.

"Ancillary Lender" means The Royal Bank of Scotland plc (acting as agent for National Westminster Bank plc).

"Arranger" means The Royal Bank of Scotland plc.

Short particulars of all the property mortgaged or charged

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Bank Accounts" of a Chargor means the Prepayment Account, the Facility A Blocked Account, the Cash Collateral Account, the Capital Expenditure Account and all current, deposit or other accounts with any bank or financial institution in which it now or in the future has an interest and (to the extent of its interest) all balances now or in the future standing to the credit of those accounts.

"Base Currency" or **"£"** means Sterling.

"Bond Conditions" means the conditions of the mezzanine bonds set out in Schedule 2 to the Mezzanine Bond Instrument.

"Bond Debt" means all present and future moneys, debts and liabilities (other than in respect of interest) due, owing or incurred by any Obligor to any Bondholder under or in connection with any Bond Finance Document (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise) together with any related Additional Debt.

"Bond Default" means an Event of Default as defined in Condition 3.1 of the Bond Conditions.

"Bond Finance Documents" means:

- (a) the Mezzanine Bond Instrument;
- (b) the Security Documents;
- (c) any Accession Deed pursuant to which an Obligor accedes to the Intercreditor Agreement; and
- (d) the bonds issued pursuant to the Mezzanine Bond Instrument.

"Bondholder" means a Bondholder (as defined in the Mezzanine Bond Instrument) who accedes to the Intercreditor Agreement in accordance with Clause 28 (*Changes to the Parties*) of the Intercreditor Agreement.

"Bond Interest Debt" means all present and future moneys, debts and liabilities due, owing or incurred by any Obligor to any Bondholder in respect of any interest, including, for the avoidance of doubt, any late payment or default interest under or in connection with any Bond Finance Document (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise) together with any related Additional Debt.

"Bond Mezzanine Debt" means all present and future moneys, debts and liabilities due, owing or incurred by any Obligor to any Bondholder under or in connection with any Bond Finance Document (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise) together with any related Additional Debt.

"Book Debts" of a Chargor means all book and other debts of any nature, and all other rights to receive money (excluding Bank Accounts), now or in the future due, owing or payable to it and the benefit of all related negotiable instruments, rights, Security, guarantees and indemnities of any kind.

Short particulars of all the property mortgaged or charged

"Capital Expenditure Account" means such account of the Original Chargor designated by the Senior Agent for the purposes set out in Clause 21.2 (*Capital Expenditure*) of the Senior Facility Agreement.

"Cash Collateral Account" means such account of the Original Chargor designated by the Senior Agent for the purposes set out in Clause 21 (*Financial Covenants*) of the Senior Facility Agreement.

"Charged Assets" means the assets from time to time subject, or expressed to be subject, to the Charges or any part of those assets.

"Charges" means all or any of the Security created or expressed to be created by or pursuant to the Debenture.

"Chargor" means the Original Chargor, the Company or any other Additional Chargor.

"Court Order" means an order of the court sanctioning the Scheme under section 425 of the Companies Act 1985 and confirming the reduction of share capital of the Target under section 137 of the Companies Act 1985.

"Debt" means any Senior Debt, Hedging Debt, Vendor Debt, Vendor Secured Entitlement Debt, Bond Interest Debt or Bond Debt.

"Deed of Accession" means the Security Accession Deed and any deed in substantially the same form as the accession deed set out in Schedule 4 (*Form of Deed of Accession*) of the Debenture executed by an Additional Chargor in accordance with Clause 29.2 (*Accession of Additional Chargors*) of the Debenture or with such changes as the Security Trustee may reasonably require.

"Disposal Proceeds" means the Net Sale Proceeds and the Net Ramada Proceeds.

"Enforcement Event" means:

- (a) in relation to the Senior Debt, an Event of Default;
- (b) in relation to the Bond Mezzanine Debt, a Bond Default;
- (c) in relation to the Vendor Debt, a Vendor Default; or
- (d) in relation to the Vendor Secured Entitlement Debt, a Vendor Secured Entitlement Default.

"Event of Default" means an event of default as described in Clause 24 (*Events of Default*) of the Senior Facility Agreement.

"Facility" means Facility A, Facility B, Facility C or Facility D.

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

"Facility A Blocked Account" means such account of the Original Chargor designated by the Senior Agent for repayments in accordance with Clause 7.1 (*Repayment of Facility A Loans*) of the Senior Facility Agreement.

"Facility A Lender" means:

- (a) any Original Facility A Lender; and

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- (b) any bank, financial institution, trust, fund or other entity which has become a Facility A Lender in accordance with Clause 25 (*Changes to the Lenders*) of the Senior Facility Agreement,

which in each case has not ceased to be a Facility A Lender in accordance with the Senior Facility Agreement.

"Facility B" means the term loan facility made available under the Senior Facility Agreement as described in paragraph (b) of Clause 2.1 (*The Facilities*) of the Senior Facility Agreement.

"Facility B Lender" means:

- (a) any Original Facility B Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Facility B Lender in accordance with Clause 25 (*Changes to the Lenders*) of the Senior Facility Agreement,

which in each case has not ceased to be a Facility B Lender in accordance with the terms of the Senior Facility Agreement.

"Facility C" means the term loan facility made available under the Senior Facility Agreement as described in paragraph (c) of Clause 2.1 (*The Facilities*) of the Senior Facility Agreement.

"Facility C Lender" means:

- (a) any Original Facility C Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Facility C Lender in accordance with Clause 25 (*Changes to the Lenders*) of the Senior Facility Agreement,

which in each case has not ceased to be a Facility C Lender in accordance with the Senior Facility Agreement.

"Facility D" means the term loan facility made available under the Senior Facility Agreement as described in paragraph (d) of Clause 2.1 (*The Facilities*) of the Senior Facility Agreement.

"Facility D Lender" means:

- (a) any Original Facility D Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Facility D Lender in accordance with Clause 25 (*Changes to the Lenders*) of the Senior Facility Agreement,

which in each case has not ceased to be a Facility D Lender in accordance with the Senior Facility Agreement.

"Fixtures" means fixtures, fittings (including trade fixtures and fittings) and fixed plant, machinery and apparatus.

"Group" means the Original Chargor and its Subsidiaries from time to time.

"Guaranteed Liabilities" of a Chargor means:

- (a) all Bond Mezzanine Debt;
- (b) all Vendor Debt; and

Short particulars of all the property mortgaged or charged

(c) all Vendor Secured Entitlement Debt.

"Hedging Bank" means any Senior Lender or Affiliate of a Senior Lender which has become a Hedging Bank in accordance with Clause 28.2 (*Accession of Hedging Banks*) or Clause 28.3 (*Assignments and transfers by Hedging Banks*) of the Intercreditor Agreement, which in each case has not ceased to be a Hedging Bank in accordance with that agreement.

"Hedging Debt" means all present and future moneys, debts and liabilities due, owing or incurred by any Obligor to any Hedging Bank under or in connection with any Hedging Document (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise) together with any related Additional Debt.

"Hedging Document" means each ISDA Master Agreement, ISDA Master Agreement schedule and/or ISDA Master Agreement confirm approved by the Security Trustee under Clause 28.2 (*Accession of Hedging Banks*) of the Intercreditor Agreement.

"Hedging Letter" means a letter dated on or about 11 December 2003 between the Arranger and the Original Chargor setting out the hedging strategy agreed in relation to the Facilities.

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

"Hotel Property" means a property listed in Schedule 4 (*The Hotel Properties*) of the Intercreditor Agreement, and any other present or future freehold, leasehold or heritable properties of an Obligor as substituted or acquired from time to time with the consent of the Majority Senior Lenders until the Senior Discharge Date or the Majority Bondholders, after the Senior Discharge Date.

"Insurances" of a Chargor means all contracts and policies of insurance of any kind now or in the future taken out by or on behalf of it or (to the extent of its interest) in which it now or in the future has an interest.

"Intercreditor Agreement" means the intercreditor agreement entered into between the Senior Agent, the Security Trustee, the Hedging Bank, the Original Chargor and the Senior Lenders on 11 December 2003.

"Intellectual Property" of a Chargor means all patents, designs, copyrights, topographies, trade marks, trading names, rights in confidential information and know-how, and any other intellectual property, and any interest in any of the foregoing (in each case whether registered or unregistered and including any related licences and sub-licences of the same, applications and rights to apply for the same and wherever subsisting).

"Investments" of a Chargor means:

- (a) securities and investments of any kind (including shares, stock, debentures, units, depositary receipts, bonds, notes, commercial paper and certificates of deposit);
- (b) warrants, options or other rights to subscribe for, purchase or otherwise acquire securities and investments;
- (c) all rights relating to securities and investments which are deposited with, or registered in the name of, any depositary, custodian, nominee, clearing house or system, investment manager, chargee or other similar person or their nominee, in each case whether or not on a fungible basis (including rights against any such person); and

Short particulars of all the property mortgaged or charged

- (d) all other rights attaching or relating to securities or investments and all cash or other securities or investments in the future deriving from Investments or such rights,

in each case now or in the future owned by it or (to the extent of its interest) in which it now or in the future has an interest.

"ISDA Master Agreement" means the 1992 Multicurrency-Cross Border Master Agreement or 2002 Master Agreement, each as published by the International Swaps and Derivatives Association Inc.

"Lease Document" means:

- (a) an Agreement for Lease; or
- (b) an Occupational Lease.

"Letters of Entitlement" means the letters of entitlement to be issued pursuant to the Vendor Loan Note Instrument.

"Loan" means a Facility A Loan, a Facility B Loan, a Facility C Loan or a Facility D Loan (as defined in the Senior Facility Agreement).

"Majority Bondholders" means Bondholders who have passed a Bondholder Extraordinary Resolution (as evidenced by the applicable Bondholder Extraordinary Resolution).

"Majority Senior Lenders" means, at any time, a Senior Lender or Senior Lenders and/or (as the case may be) a Hedging Bank or Hedging Banks:

- (a) if there are no Loans then outstanding, whose Commitments or at any other time, whose participations in the Loans then outstanding; and/or
- (b) whose marked to market exposure to one or more members of the Group pursuant to a Hedging Document (the **"Hedging Exposure"**),

at that time aggregate $66\frac{2}{3}$ or more of the aggregate of (i) the Total Commitments or all the Loans (as applicable) and (ii) the Hedging Exposure.

"Mezzanine Bond Instrument" means the instrument in the Agreed Form to be entered into on the date on which the Offer is declared unconditional in all respects or, as applicable, the Scheme Effective Date, between the Original Chargor and the Security Trustee constituting the £21,000,000 5 per cent. mezzanine bonds of the Original Chargor due 2012.

"Net Ramada Proceeds" means the cash or cash equivalent proceeds (including, when received, the cash or cash equivalent proceeds of any deferred consideration, whether by way of adjustment to the purchase price or otherwise) received by any member of the Group in connection with the sale of the Ramada Plaza after deducting:

- (i) fees and transaction costs properly incurred in connection with that sale, transfer or disposal and any payments due as a result of the sale of the Ramada Plaza; and
- (ii) taxes paid or reasonably estimated by the Original Chargor to be payable (as certified by the Original Chargor to the Senior Agent) as a result of that sale, transfer or disposal.

"Net Sale Proceeds" means the cash or cash equivalent proceeds (including, when received, the cash or cash equivalent proceeds of any deferred consideration, whether by way of adjustment to the purchase price or otherwise) received by a member of the Group in connection with the sale,

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transfer or other disposal by any member of the Group of a Hotel Property other than the Ramada Plaza after deducting:

- (i) fees and transaction costs properly incurred in connection with that sale, transfer or disposal and any payment due as a result of the sale of the Ramada Plaza; and
- (ii) taxes paid or reasonably estimated by the Original Chargor to be payable (as certified by the Original Chargor to the Senior Agent) as a result of that sale, transfer or disposal.

"Noteholders" means the shareholders of the Target who elect to receive Vendor Loan Notes pursuant to the Offer as part of the consideration payable by the Original Chargor for their shares in the Target to whom Notes and Entitlement Units (each as defined in the Vendor Loan Note Instrument) are issued.

"Obligor" means the Original Chargor, the Company, each Additional Borrower and each Additional Guarantor (as defined in the Senior Facility Agreement).

"Occupational Lease" means any occupational lease or licence or other right of occupation to which a Property may be subject from time to time.

"Offer" means the offer for at least 90 per cent. of the Target Shares made or proposed to be made on behalf of the Original Chargor substantially on the terms and conditions set out in the Press Release, as that offer may from time to time be amended, extended, revised or waived in accordance with the Intercreditor Agreement.

"Original Facility A Lender" means a Senior Lender listed in Part II of Schedule 1 (*The Original Parties*) of the Senior Facility Agreement as having a Facility A Commitment.

"Original Facility B Lender" means a Senior Lender listed in Part II of Schedule 1 (*The Original Parties*) of the Senior Facility Agreement as having a Facility B Commitment.

"Original Facility C Lender" means a Senior Lender listed in Part II of Schedule 1 (*The Original Parties*) of the Senior Facility Agreement as having a Facility C Commitment.

"Original Facility D Lender" means a Senior Lender listed in Part II of Schedule 1 (*The Original Parties*) of the Senior Facility Agreement as having a Facility D Commitment.

"Prepayment Account" means such account of the Original Chargor with the Senior Agent as the Senior Agent may designate for prepayment in accordance with Clause 8.6 (*Prepayment Account*) of the Senior Facility Agreement.

"Press Release" means a press release in the agreed form to be issued by or on behalf of the Original Chargor announcing the terms and conditions of the Offer.

"Property" means a Hotel Property, any property more particularly described in the relevant Security Document and any other present or future freehold, heritable or leasehold property in which a Borrower (as defined in the Senior Facility Agreement) has an interest.

"Ramada Plaza" means the Ramada Plaza Hotel, Regents Park, 18 Lodge Road, St John's Wood, London NW8 7JT and 151/153 Park Road, St John's Wood, London being the freehold land registered at H.M. Land Registry with title numbers NGL 263243 and NGL 63748 and the leasehold land registered at H.M. Land Registry with title number NGL 669506.

"Real Property" means freehold and leasehold property in England and Wales and other real property anywhere in the world (in each case including any estate or interest therein, all rights from time to time attached or relating thereto and all Fixtures from time to time therein or thereon).

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"Receiver" means a receiver and manager or other receiver appointed in respect of the Charged Assets and shall, if allowed by law, include an administrative receiver.

"Rental Income" means the aggregate of all amounts payable to or for the benefit or account of an Obligor arising from or in connection with the letting, use or occupation of a Property (or any part of a Property), including (without limitation and without double counting):

- (a) rents, licence fees and equivalent sums reserved or made payable;
- (b) sums received from any deposit held as security for the performance of any tenant's obligations to the extent held on trust for that tenant;
- (c) any premium paid on the amount of any Occupational Lease;
- (d) any other moneys payable in respect of use and/or occupation;
- (e) proceeds of insurance in respect of loss of rent;
- (f) receipts from or the value of consideration given for the surrender or variation of any letting;
- (g) proceeds paid by way of reimbursement of expenses incurred or on account of expenses to be incurred in the management, maintenance and repair of, and the payment of insurance premiums for, a Property;
- (h) proceeds paid for a breach of covenant under any Occupational Lease and for expenses incurred in relation to any such breach;
- (i) any contribution to a sinking fund paid by an occupational tenant;
- (j) payments from a guarantor in respect of any of the items listed in this definition;
- (k) interest, damages or compensation in respect of any of the items in this definition; and
- (l) any value added tax on any sum mentioned in this definition.

"Scheme" means a scheme of arrangement made pursuant to section 425 of the Companies Act 1985 in relation to the cancellation and transfer of the shares of the Target and the subsequent issue of new shares in Target to the Original Chargor as contemplated by the press release in a form agreed by the Majority Senior Lenders made by or on behalf of the Original Chargor announcing the terms and which reserves the right for the Original Chargor to implement the Offer by way of such a scheme.

"Scheme Effective Date" means the date on which the Court Order is filed at Companies House.

"Secured Party" means a Senior Finance Party, a Hedging Bank, a Vendor or a Bondholder and **"Secured Parties"** means all of them.

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having the effect of conferring security.

"Security Documents" means

- (a) the Debenture;
- (b) any

Short particulars of all the property mortgaged or charged

- (i) accession deed (including the Security Accession Deed) to the document specified in (a) above in respect of each Obligor;
 - (ii) first fixed and floating security document (English law) over all the present and future assets of each Obligor (or equivalent documentation (in the opinion of the Security Trustee for any other applicable jurisdiction)); and/or
 - (iii) Standard Security or Standard Securities (Scots law) covering all the heritable and leasehold property of an Obligor that is located in Scotland ("**Standard Securities**");
- (c) notices of charge or assignment of assigned contracts signed by the Original Chargor and an acknowledgement of each such notice signed by the person to whom that notice was addressed, all as required by the relevant Security Document, and any other security document that may at any time be given as security for any of the Debt pursuant to or in connection with any Finance Document.

"Senior Agent" means The Royal Bank of Scotland plc as agent of the Senior Finance Parties and the Hedging Banks.

"Senior Debt" means all present and future moneys, debts and liabilities due, owing or incurred by any Obligor to any Senior Finance Party under or in connection with any Senior Finance Document, (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise), together with any related Additional Debt but excluding any Hedging Debt.

"Senior Discharge Date" means the date on which the Security Trustee, acting reasonably, is satisfied that all Senior Debt and Hedging Debt has been fully and irrevocably paid or discharged and no further Senior Debt or Hedging Debt is capable of becoming outstanding.

"Senior Facility Agreement" means the £184,000,000 facility agreement dated 11 December 2003 between the Original Chargor, certain Subsidiaries of the Original Chargor as borrowers and guarantors and the Senior Finance Parties.

"Senior Finance Document" means the Senior Facility Agreement, each Accession Letter, any Ancillary Facility Document, each Fee Letter, each Hedging Document, the Hedging Letter, the Intercreditor Agreement (and any Accession Deed) each Security Document and any other document designated as such by the Senior Agent and the Original Chargor.

"Senior Finance Party" means the Senior Agent, the Ancillary Lender, the Arranger, a Senior Lender or the Security Trustee.

"Senior Lender" means a Facility A Lender, a Facility B Lender, a Facility C Lender, a Facility D Lender or an Ancillary Lender.

"Subsidiary" means a subsidiary within the meaning of section 736 of the Companies Act 1985 and, for the purpose of Clause 21 (*Financial covenants*) of the Senior Facility Agreement and in relation to financial statements of the Group, a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985.

"Target" means Jarvis Hotels Ltd (formerly Jarvis Hotels plc).

"Target Shares" means all the issued ordinary shares in the capital of the Target (including any issued while the Offer remains open for acceptance).

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"Total Ancillary Commitments" means the aggregate of the Ancillary Commitments, being zero on 11 December 2003.

"Total Commitments" means the aggregate of the Total Facility A Commitments, the Total Facility B Commitments, the Total Facility C Commitments, the Total Facility D Commitments and the Total Ancillary Commitments, being £189,000,000 on 11 December 2003.

"Total Facility A Commitments" means the aggregate of the Facility A Commitments, being £74,000,000 on 11 December 2003.

"Total Facility B Commitments" means the aggregate of the Facility B Commitments, being £20,000,000 at the date of the Senior Facility Agreement.

"Total Facility C Commitments" means the aggregate of the Facility C Commitments, being £50,000,000 on 11 December 2003.

"Total Facility D Commitments" means the aggregate of the Facility D Commitments, being £40,000,000 on 11 December 2003.

"Unconditional Date" means the date on which the Offer is declared or becomes unconditional in all respects.

"Vendor Debt" means all present and future moneys, debts and liabilities due, owing or incurred by any Obligor to any Vendor under or in connection with any Vendor Document (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise), but excluding any Vendor Entitlement Debt.

"Vendor Default" means an Event of Default as defined in Condition 3.1 of the Vendor Loan Note Conditions.

"Vendor Documents" means:

- (a) the Vendor Loan Notes;
- (b) the Security Documents;
- (c) any Accession Deed pursuant to which an Obligor accedes to the Intercreditor Agreement; and
- (d) the Vendor Loan Note Instrument.

"Vendor Entitlement Debt" means all present and future moneys, debts and liabilities due, owing or incurred by any Obligor to any Vendor under or in connection with the Letters of Entitlement, including, for the avoidance of doubt, Vendor Secured Entitlement Debt (in each case whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise).

"Vendor Loan Note Conditions" means the Conditions of the Vendor Loan Notes set out in Schedule 2 to the Vendor Loan Note Instrument.

"Vendor Loan Note Instrument" means the instrument in the Agreed Form to be entered into on the Unconditional Date or, as applicable, the Scheme Effective Date, between the Original Chargor and the Security Trustee constituting the Vendor Loan Notes.

"Vendor Loan Notes" means the £23,000,000 zero coupon Loan Notes 2006 to be issued by the Original Chargor pursuant to the Vendor Loan Note Instrument.

Name of Company
JARVIS HOTELS LTD

Company Number
02486634

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"Vendor Secured Entitlement Debt" means all present and future moneys, debts and liabilities due owing or incurred by any Obligor to any Vendor under or in connection with Clause 2.6(A) of the Letters of Entitlement (in each case whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise) together with any related Additional Debt.

"Vendor Secured Entitlement Default" means a failure by the Original Chargor to pay amounts due to the Vendors under Clause 2.6(A) of any Letter of Entitlement.

"Vendors" means Noteholders who have acceded to the Intercreditor Agreement pursuant to Clause 28 (*Changes to the parties*) of that agreement.

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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. 02486634

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF ACCESSION TO THE GUARANTEE AND FIXED AND FLOATING SECURITY DOCUMENT DATED 11 DECEMBER 2003 DATED THE 16th MARCH 2004 AND CREATED BY JARVIS HOTELS LTD. FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM A CHARGOR 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 19th MARCH 2004.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 23rd MARCH 2004.

L. Allen



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —