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COMPANIES FORM No. 395

395

CHFP010.

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

Please do not write in this margin

Pursuant to section 395 of the Companies Act 1985

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

To the Registrar of Companies
(address overleaf - note 6)

For official use

Company Number

3121

02486634

Name of company

* Insert full name of company

*Jarvis Hotels Limited (the "Company")

Ltd.

Date of creation of the charge

24 March 2004

4/3/04

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

Standard Security 24/3/04

Amount secured by the mortgage or charge

See Paper Apart 1

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

The Royal Bank of Scotland plc, 36 St Andrew Square, Edinburgh acting as

security trustee (the "Security Trustee")

Postcode EH2 2YB

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

Brodies (GSL)
15 Atholl Crescent
Edinburgh
EH3 8HA
~~DK ED 10~~
Edinburgh-1

Time critical reference

For official use

Mortgage Section

Post room



SCT
COMPANIES HOUSE

SUOPJTU5

0405
30/03/04

Short particulars of all the property mortgaged or charged

Please do not write in this margin

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

See Paper Apart 2

Particulars as to commission, allowance or discount (note 3)

Nil

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

Signed

Brodies

Date 29/3/4

† delete as appropriate

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

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 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 percent 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 CF14 3UZ

PAPER APART 1 TO FORM 395

JARVIS HOTELS LIMITED (COMPANY NO. 02486634)

(First) All present and future obligations and liabilities due by Kayterm plc, a company incorporated under the Companies Acts (Company Number 4785061) and having its Registered Office at 21 Tudor Street, London (hereinafter referred to as "Original Chargor") and/or any Obligor or Obligors to any Finance Party or Finance Parties under the Senior Facility Agreement; and (Second) the Liabilities under the Guarantee.

PAPER APART 2 TO FORM 395**JARVIS HOTELS LIMITED (COMPANY NO. 02486634)**

ALL and WHOLE the tenant's interest in the lease between Norwich Union Pensions Management Limited and Jarvis Hotels plc dated 19 and 25 August 1999 and recorded in the Division of the General Register of Sasines for the County of West Lothian on 21 February 2000 TOGETHER WITH (One) the whole rights, parts, privileges and pertinents thereof (Two) the whole fittings and fixtures in and to the subjects hereby secured and (Three) the Company's whole right title and interest therein and thereto.

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DEFINITIONS

In this Form 395 the following terms have the following meanings:

"Additional Chargor" means each person acceding to the Guarantee as a Chargor by executing 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 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; (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 the discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings;

"Bond Finance Document" 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;

"Bond Mezzanine Debt" means all present and future moneys, debts and liabilities due, owing or incurred by any Obligor to any of the bondholders under or in connection with any Bond Finance Document (in each case, whether actually or contingently, and whether as principal, surety or otherwise) together with any related Additional Debt;

"Chargor" means the Original Chargor or an Additional Chargor;

"Fee Letter" means any letter or letters dated on or about the date of the Senior Facility Agreement between The Royal Bank of Scotland plc and the Original Chargor setting out any fees payable in terms of the Senior Facility Agreement and any fee letter between The Royal Bank of Scotland plc and the Original Chargor as set out in the Intercreditor Agreement;

"Finance Party" means the Royal Bank of Scotland plc acting as agent and security trustee on behalf of the other Finance Parties, the Royal Bank of Scotland plc acting as agent for National Westminster Bank plc and any other lender under the Senior Facility Agreement;

"Finance Documents" means the Senior Facility Agreement, each letter of accession to the Senior Facility Agreement, any facility document ancillary to the Senior Facility Agreement, each Fee Letter, each Hedging Document, the Hedging Letter, the Intercreditor Agreement, any deed of accession to the Intercreditor Agreement, each Security Document and any other document designated as such by the Security Trustee and the Original Chargor;

"Guarantee" means the Guarantee and Fixed and Floating Security Document by Kayterm plc in favour of The Royal Bank of Scotland plc as Security Trustee dated 11 December 2003 as amended, varied, supplemented or novated in any way from time to time;

"Guaranteed Liabilities" of a Chargor means (a) all Bond Mezzanine Debt; (b) all Vendor Debt; and (c) all Vendor Secured Entitlement Debt;

"Hedging Banks" means The Royal Bank of Scotland plc and HSBC;

"Hedging Documents" means the documents entered into between the Original Chargor or any of its subsidiaries for the time being and the Hedging Banks for the purpose of implementing the hedging strategy required by the Hedging Letter;

"Hedging Letter" means a letter dated on or about the date of the Senior Facility Agreement between The Royal Bank of Scotland plc and the Original Chargor setting out the hedging strategy in relation to the facilities made available under the Senior Facility Agreement;

"Intercreditor Agreement" means the intercreditor agreement entered into by Kayterm plc, certain subsidiaries of Kayterm plc as borrowers and guarantors, The Royal Bank of Scotland plc and others dated 11 December 2003 as amended, varied, supplemented or novated in any way from time to time;

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

"Liabilities" of a Chargor means (a) all present and future moneys, debts and liabilities due, owing or incurred by it 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;

"Mezzanine Bond Instrument" means the instrument entered into or to be entered into between the Original Chargor and the Security Trustee constituting the £21,000,000 5 per cent. mezzanine bonds of the Original Chargor due 2012;

"Obligor" means the Original Chargor, certain of its subsidiaries acting as borrowers and guarantors under the Senior Facility Agreement and each Additional Chargor;

"Security Documents" means (a) a fixed and floating security document (English law) over all the present and future assets of the Original Chargor; (b) any (i) accession deed to the said fixed and floating security document in respect of each Obligor, (ii) first fixed and floating security document (English law) over all present and future assets of each Obligor (or equivalent documentation), and/or (iii) a standard security or standard securities (Scots law) covering all the heritable and leasehold property of an Obligor that is located in Scotland; and (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 Facility Agreement" means the agreement entered into by Kayterm plc, certain subsidiaries of Kayterm plc as borrowers and guarantors, The Royal Bank of Scotland plc and others dated 11 December 2003 as amended by Amendment Agreement entered into between Kayterm plc and The Royal Bank of Scotland plc dated 11 December 2004 and as further amended, varied, supplemented or novated in any way from time to time;

"Senior Finance Document" means the Finance Documents and any other documents documenting the New Senior Commitments (as defined in the Senior Facility Agreement);

"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 Documents" means (a) the Vendor Loan Notes; (b) the Security Documents; (c) 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) together with any related Additional Debt;

"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;

"Vendor Loan Note Instrument" means the instrument entered into or to be entered into between the Original Chargor and the Security Trustee constituting the Vendor Loan Notes;

"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;

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Please do not write in
this margin

COMPANIES FORM No. 398

398

Certificate of registration in Scotland or Northern Ireland of a charge comprising property situate there

Pursuant to section 398(4) of the Companies Act 1985

Please complete
legibly, preferably in
black type, or bold
block letteringTo the Registrar of Companies
(address overleaf)

For official use

Company Number

* Insert full name of
company

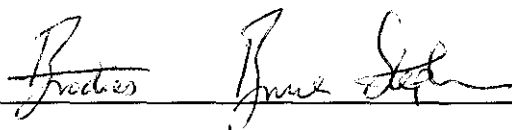
Name of company

* Jarvis Hotels Limited (the "Company")

02486634

I, Bruce Stephenof Brodies, 15 Atholl Crescent, Edinburgh EH3 8HA‡ give date and
parties to chargecertify that the charge ‡ granted by the Company in favour of the Royal Bank of
Scotland plc as security trustee dated 4 March 2004† delete as
appropriateof which a true copy is annexed to this form was presented for registration on 24 March 2004
in [Scotland]~~[Northern Ireland]~~ †

Signed



Date

29/3/04Presentor's name, address
and reference (if any):Brodies (GSL)
15 Atholl Crescent
Edinburgh
EH3 8HA
DX ED 10
Edinburgh-1

For official use

Mortgage Section

Post room

Notes:

The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

DX: 33050 Cardiff

or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

DX: 235 Edinburgh

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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 STANDARD SECURITY WHICH WAS PRESENTED FOR REGISTRATION IN SCOTLAND ON 24 MARCH 2003 DATED THE 4th MARCH 2004 AND CREATED BY JARVIS HOTELS LTD. FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM KAYTERM PLC AND/OR ANY OBLIGOR OR OBLIGORS TO ANY FINANCE PARTY OR FINANCE PARTIES 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 30th MARCH 2004.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 2nd APRIL 2004.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

Piper